



Housing and Community Trends in the Willmar Area

April 30, 2015

Study Area



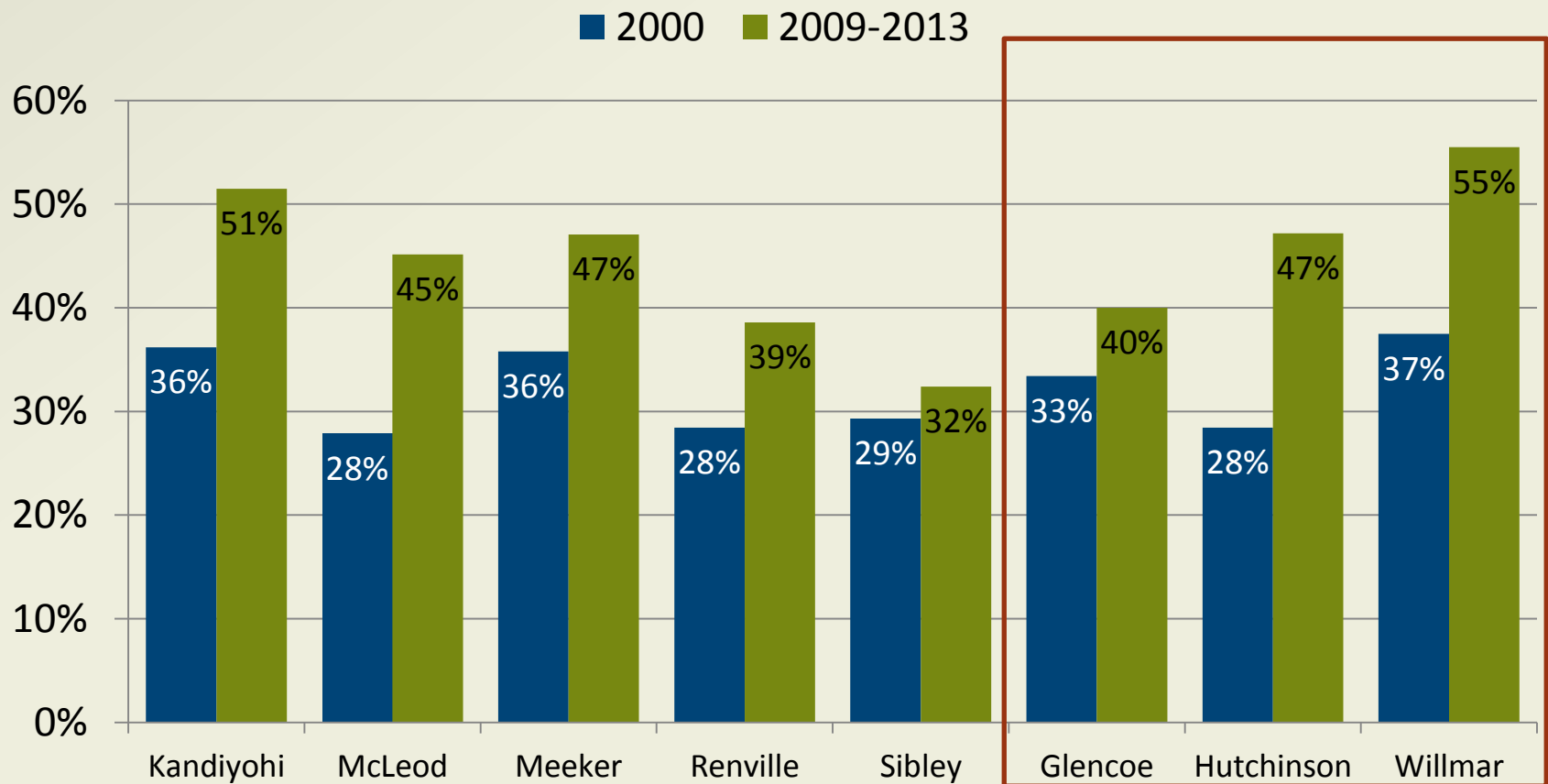
Overview

- Why the region needs more affordable housing
- Recent housing production and market activity
- Regional topics (discussion breakouts after lunch)
 - Affordable rental housing for a growing workforce
 - Housing needs of diverse communities (homeownership)
 - Supportive housing and housing for people with special needs

Region Needs More Affordable Housing

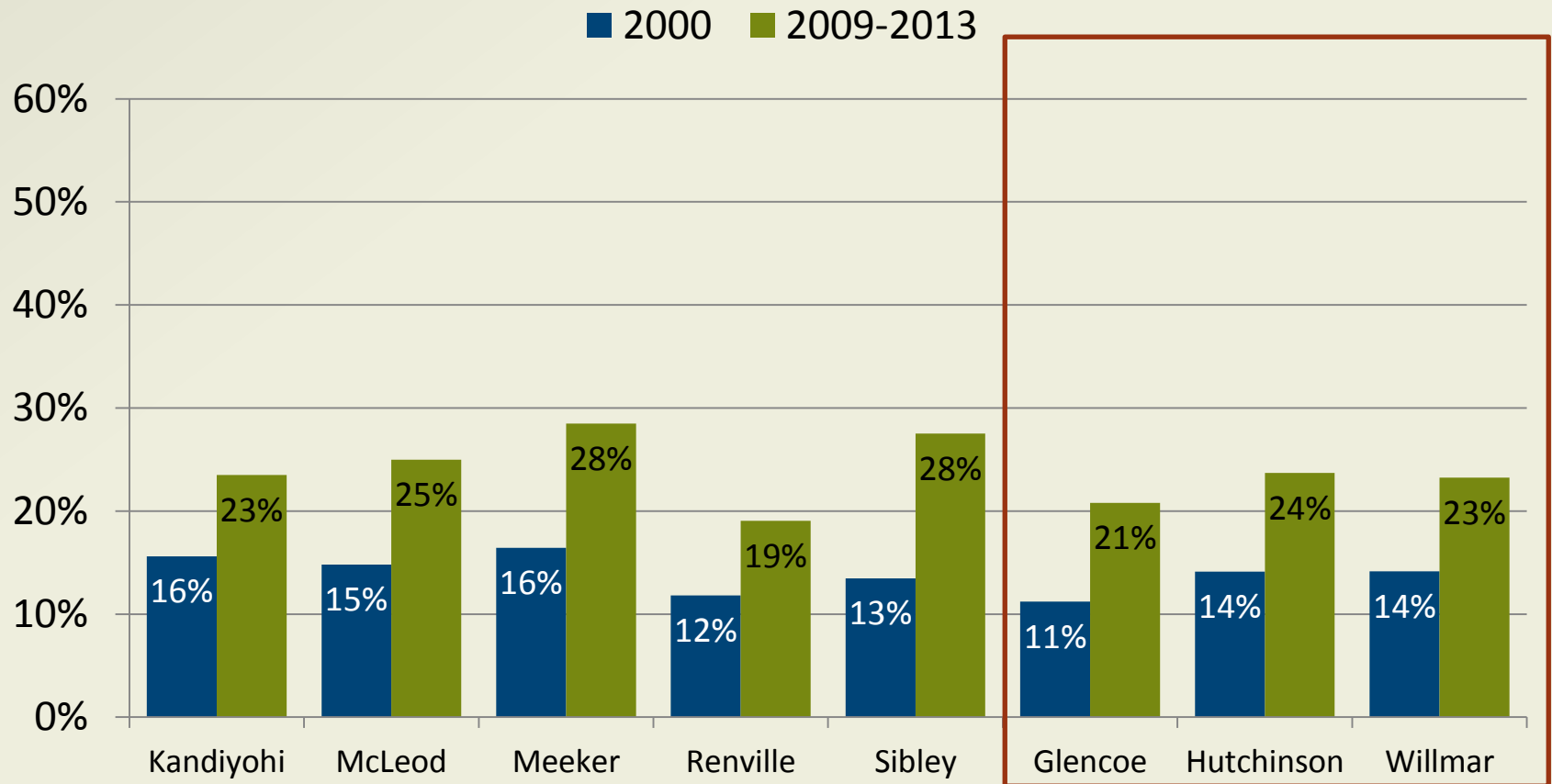
- Number of cost burdened households is increasing
 - Housing costs are up
 - Incomes are down

% of All Renters Who Are Cost Burdened



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

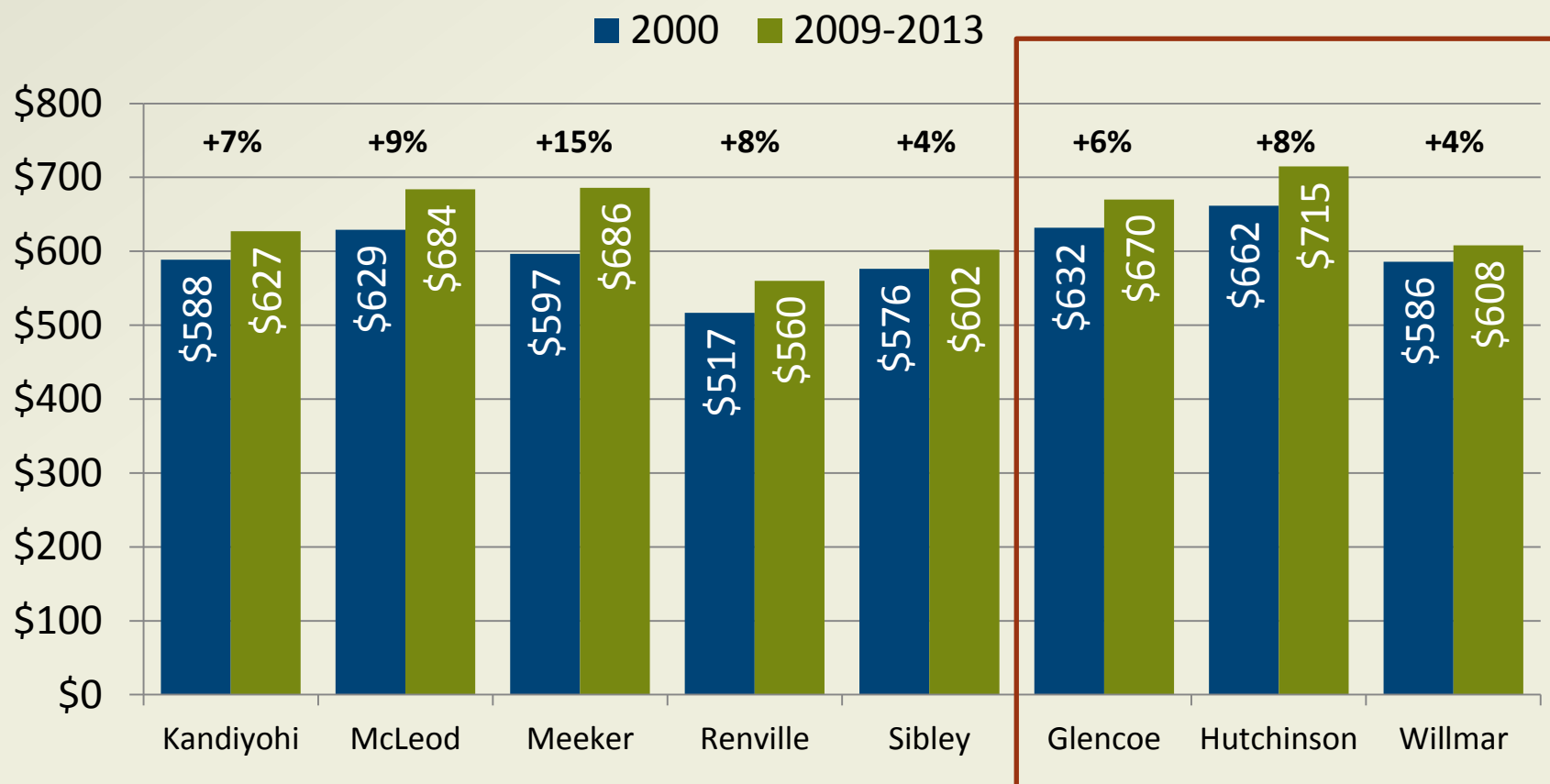
% of All Owners Who Are Cost Burdened



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Median Monthly Gross Rent

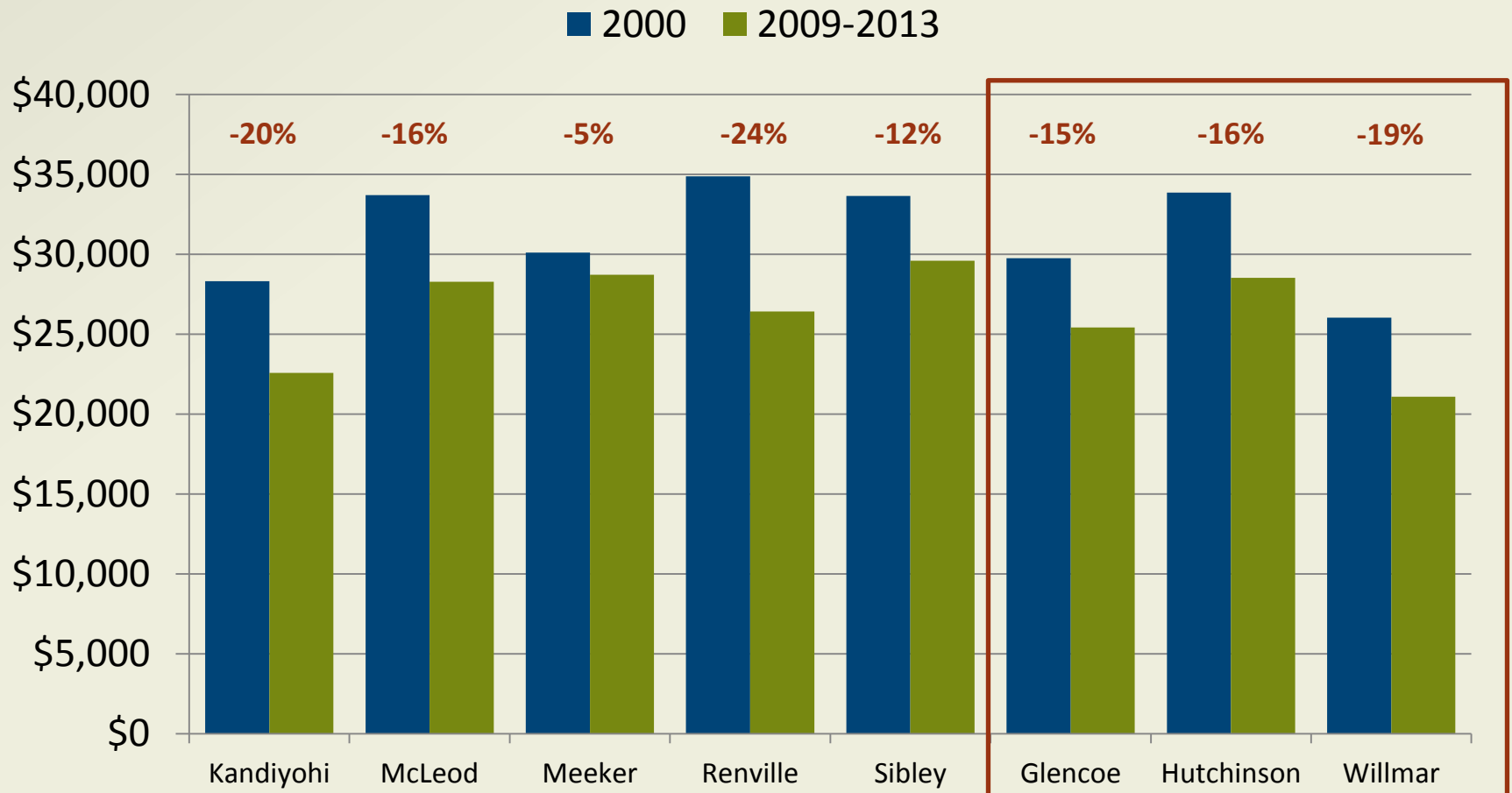
(inflation adj. – 2013 \$)



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

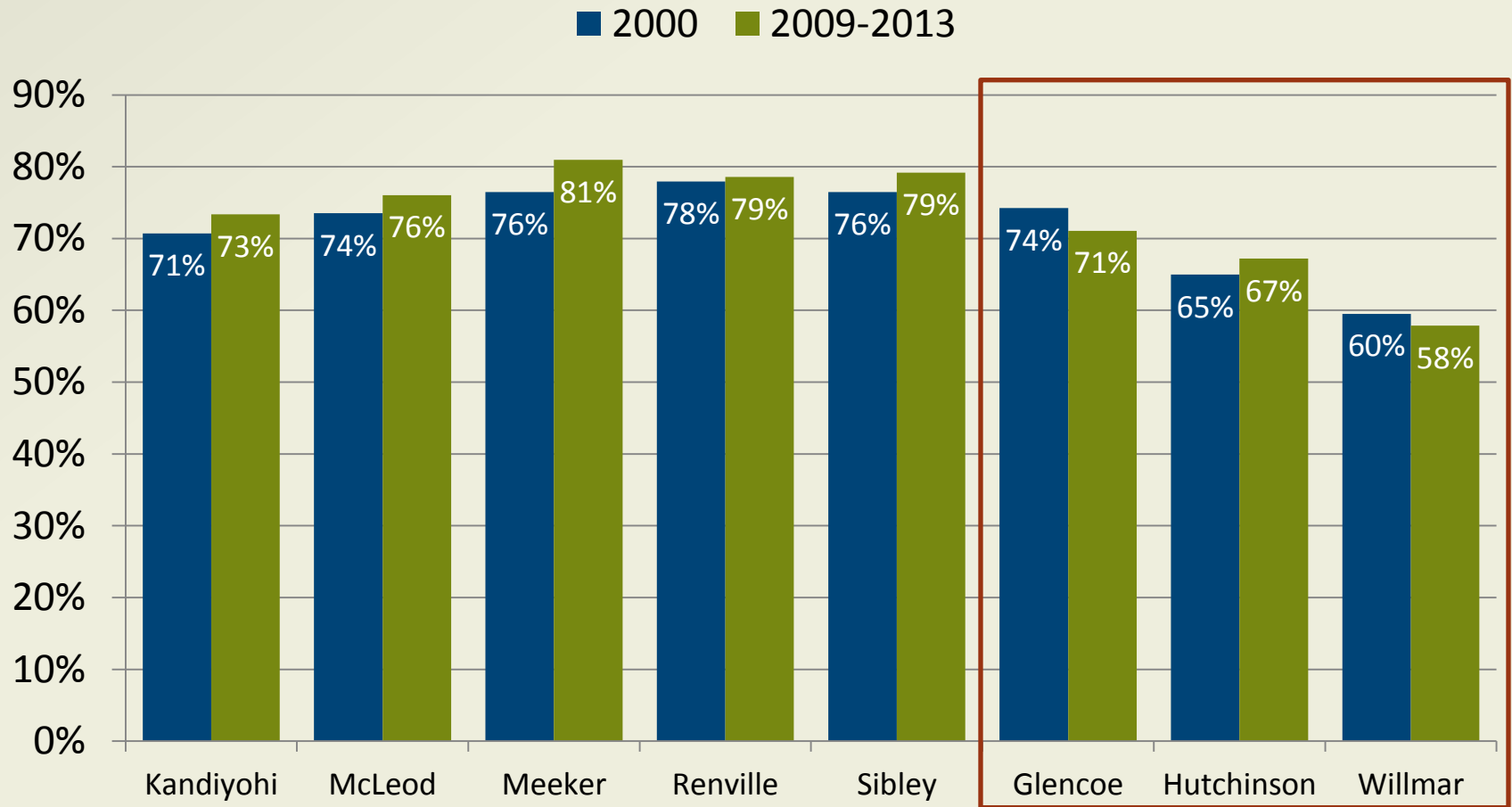
Median Renter Household Income

(inflation adj. – 2013 \$)



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

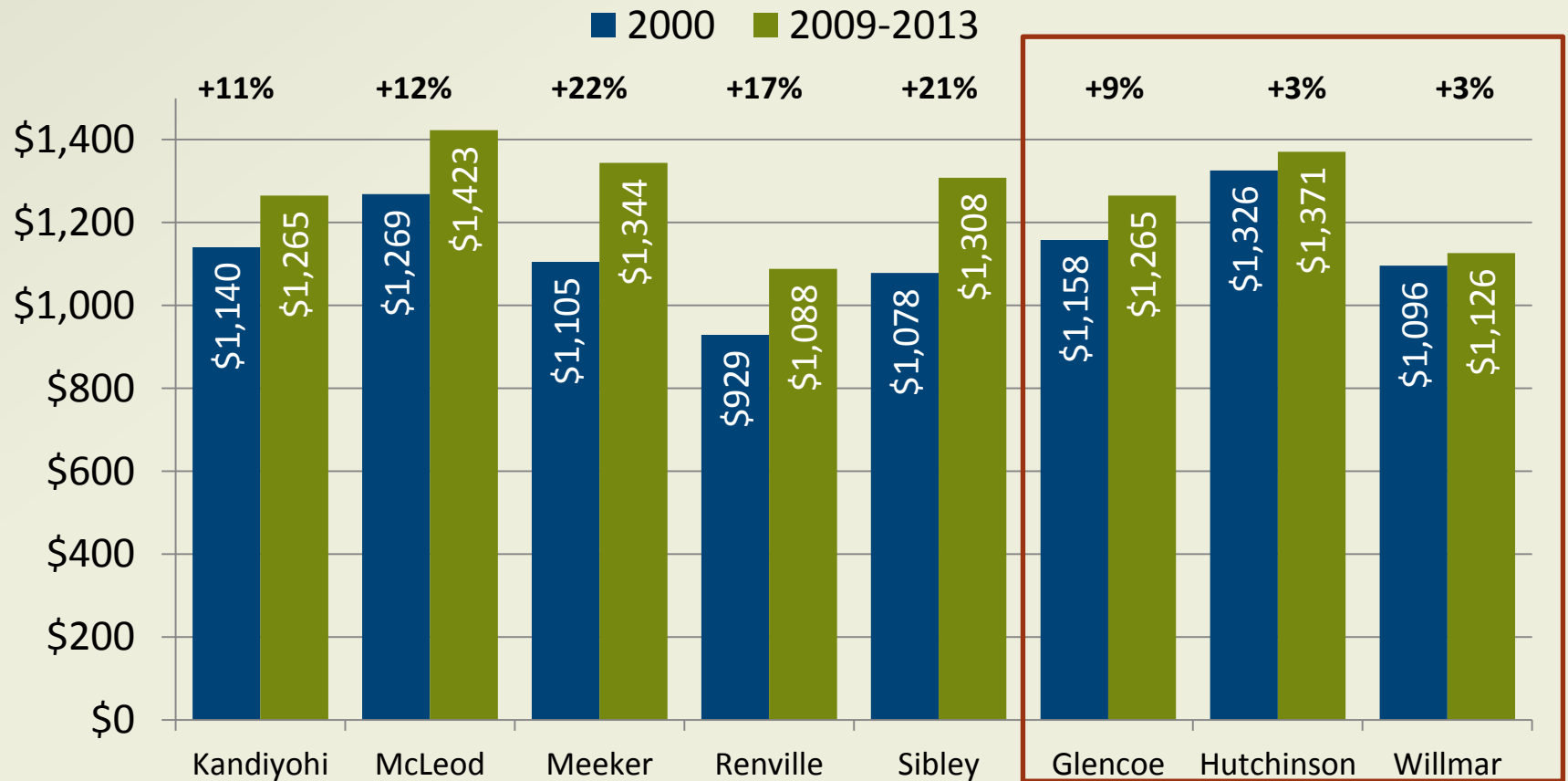
Homeownership Rates



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Median Monthly Homeowner Costs

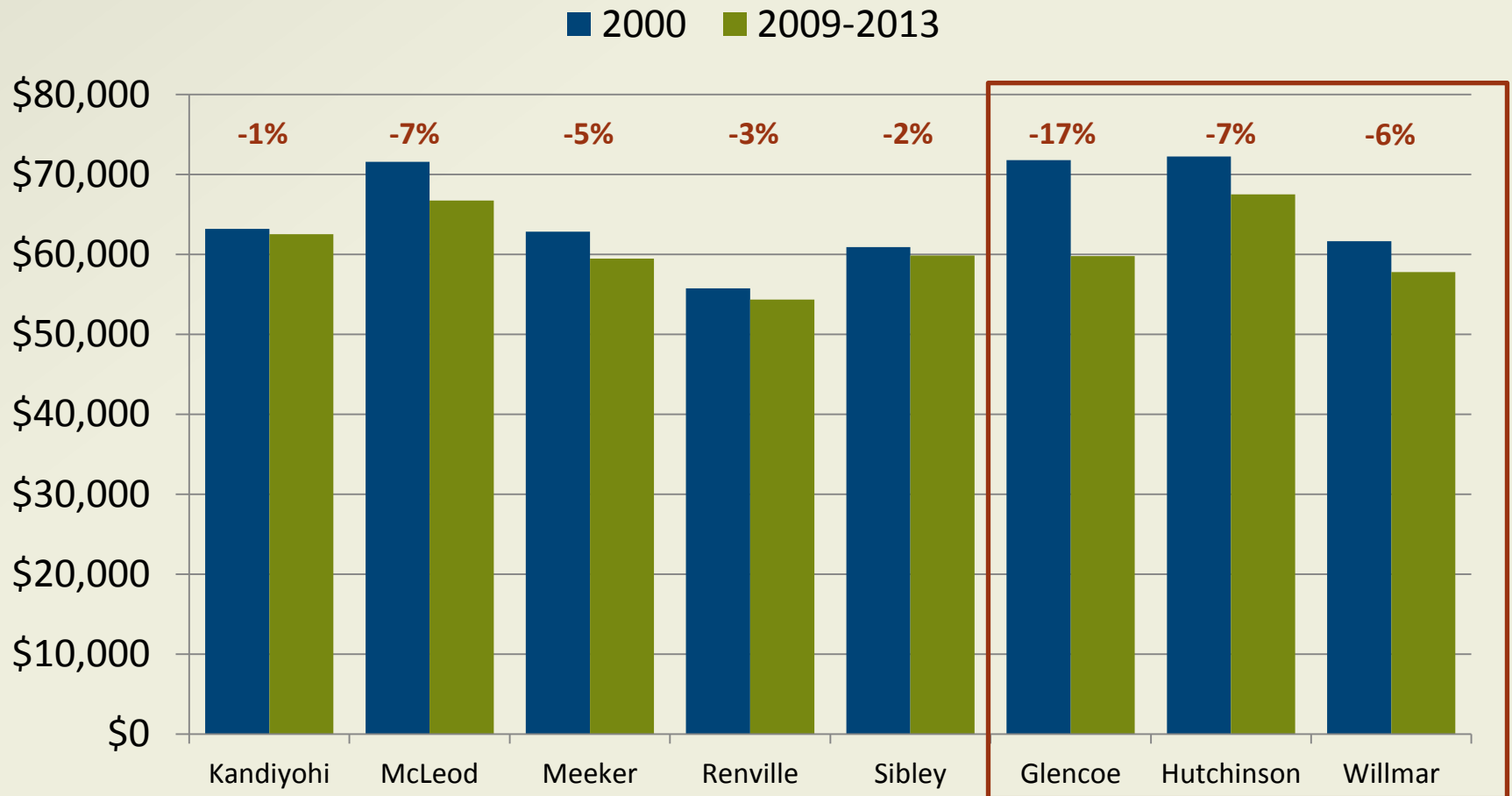
(inflation adj. – 2013 \$)



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Median Owner Household Income

(inflation adj. – 2013 \$)

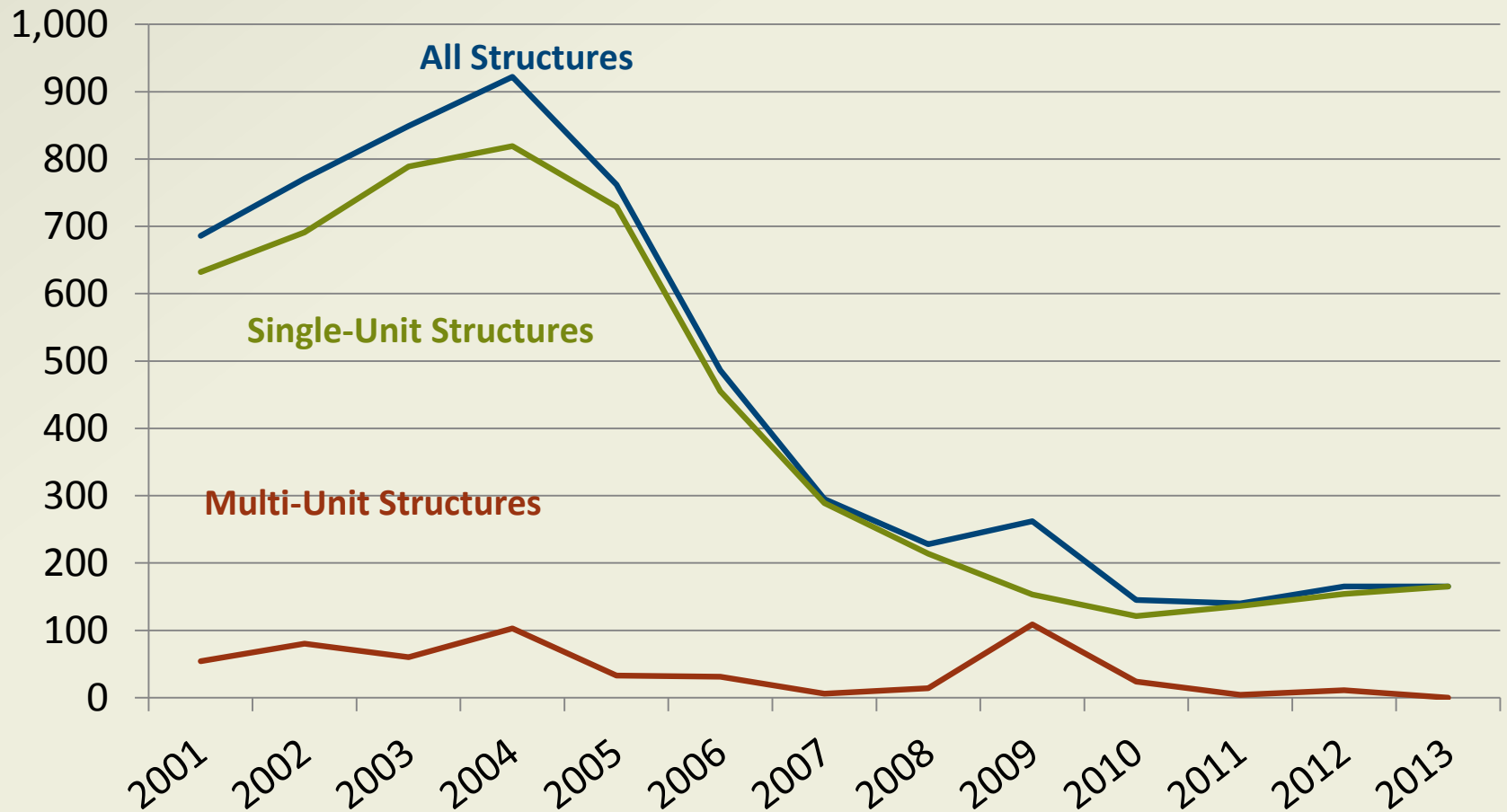


SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Housing Production and Market Activity

- 1) Building Permits
- 2) Sales Trends
- 3) Recent Affordable Housing Activities
 - USDA Rural Development
 - Greater Minnesota Housing Fund
 - Minnesota Housing

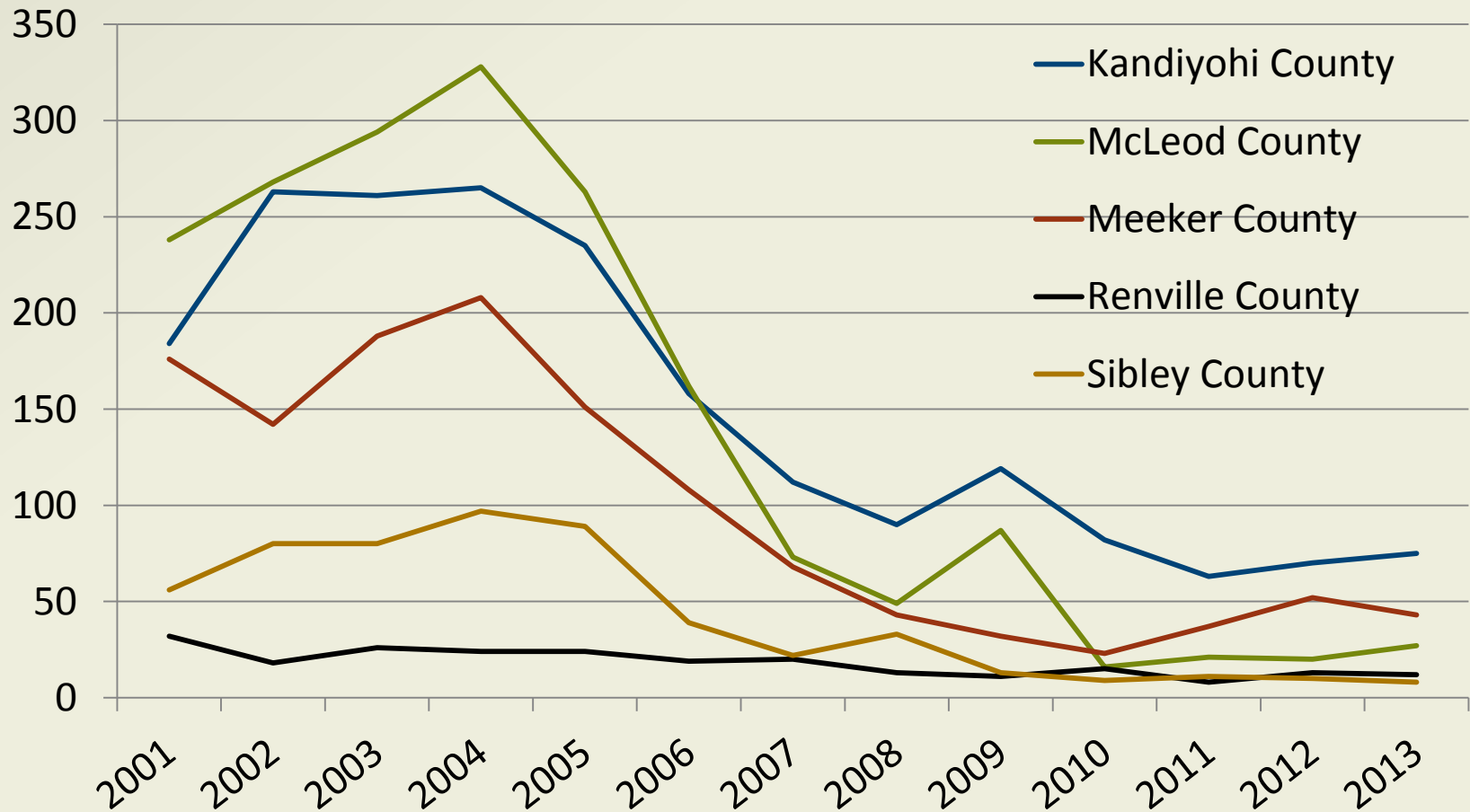
Region: Building Permits Number of Units



Source: Minnesota Housing analysis of data from U.S. Department of Housing and Urban Development – State of the Cities Data Systems

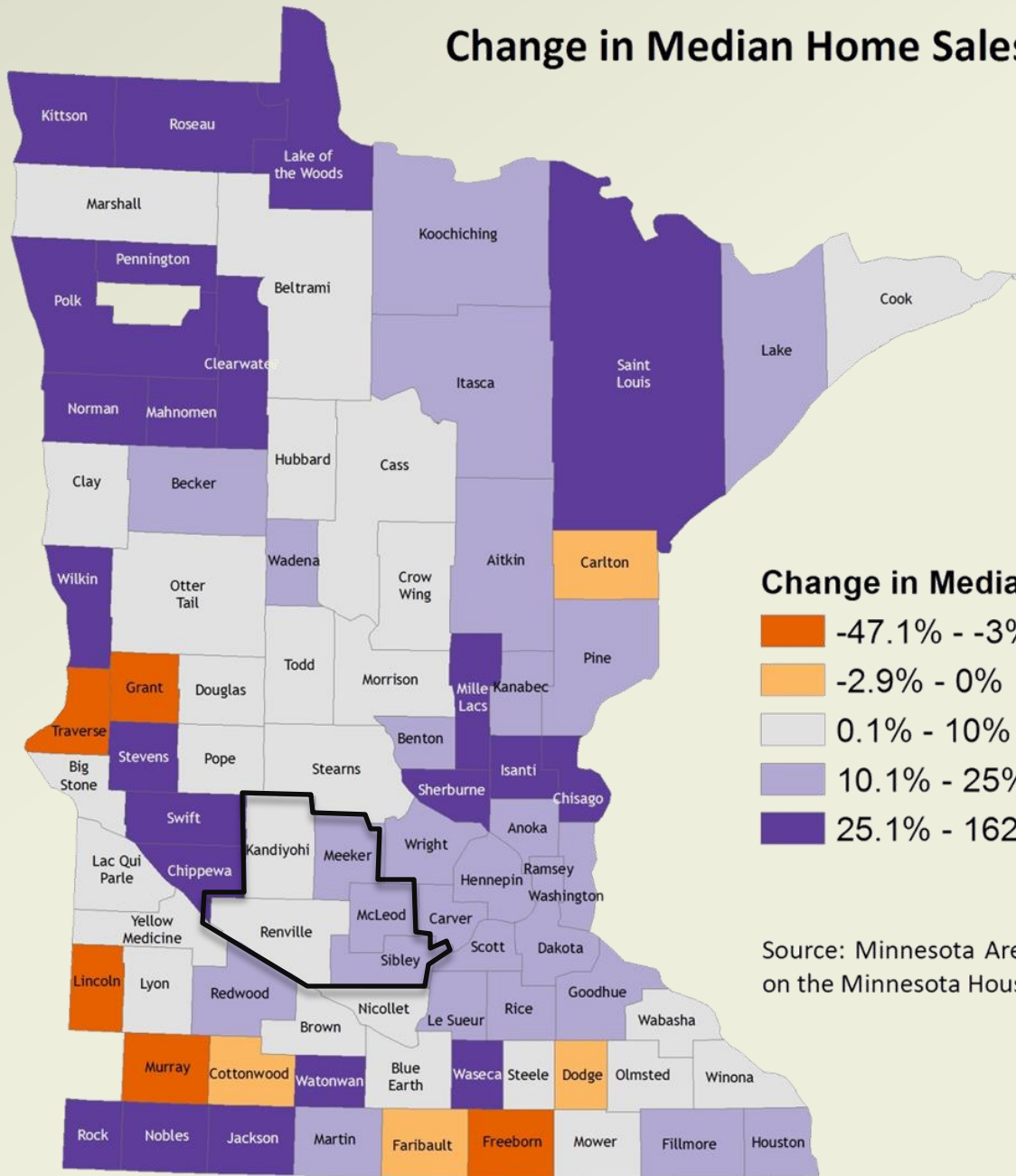
Building Permits by County

Total Number of Units



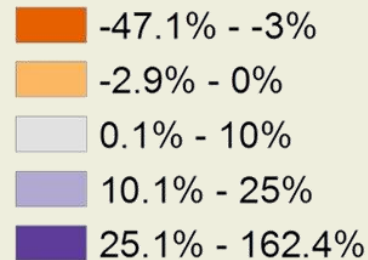
Source: Minnesota Housing analysis of data from U.S. Department of Housing and Urban Development – State of the Cities Data Systems

Change in Median Home Sales Price, 2010-2014



	2014 Median Sales Price	# Sales in 2014	Change in Price Since 2010
Kandiyohi	\$135,000	527	+1%
McLeod	\$130,000	539	+13%
Meeker	\$121,000	277	+18%
Renville	\$74,750	137	+4%
Sibley	\$121,000	1,611	+13%

Change in Median Home Sales Price, 2010-2014



Source: Minnesota Area Association of Realtors 2014 Annual Report on the Minnesota Housing Market

Recent Affordable Housing Investments & Activities

- Rental and Homeownership
 - USDA Rural Development
 - Greater Minnesota Housing Fund
 - Minnesota Housing

Investments

Over 1,000 units over last three years

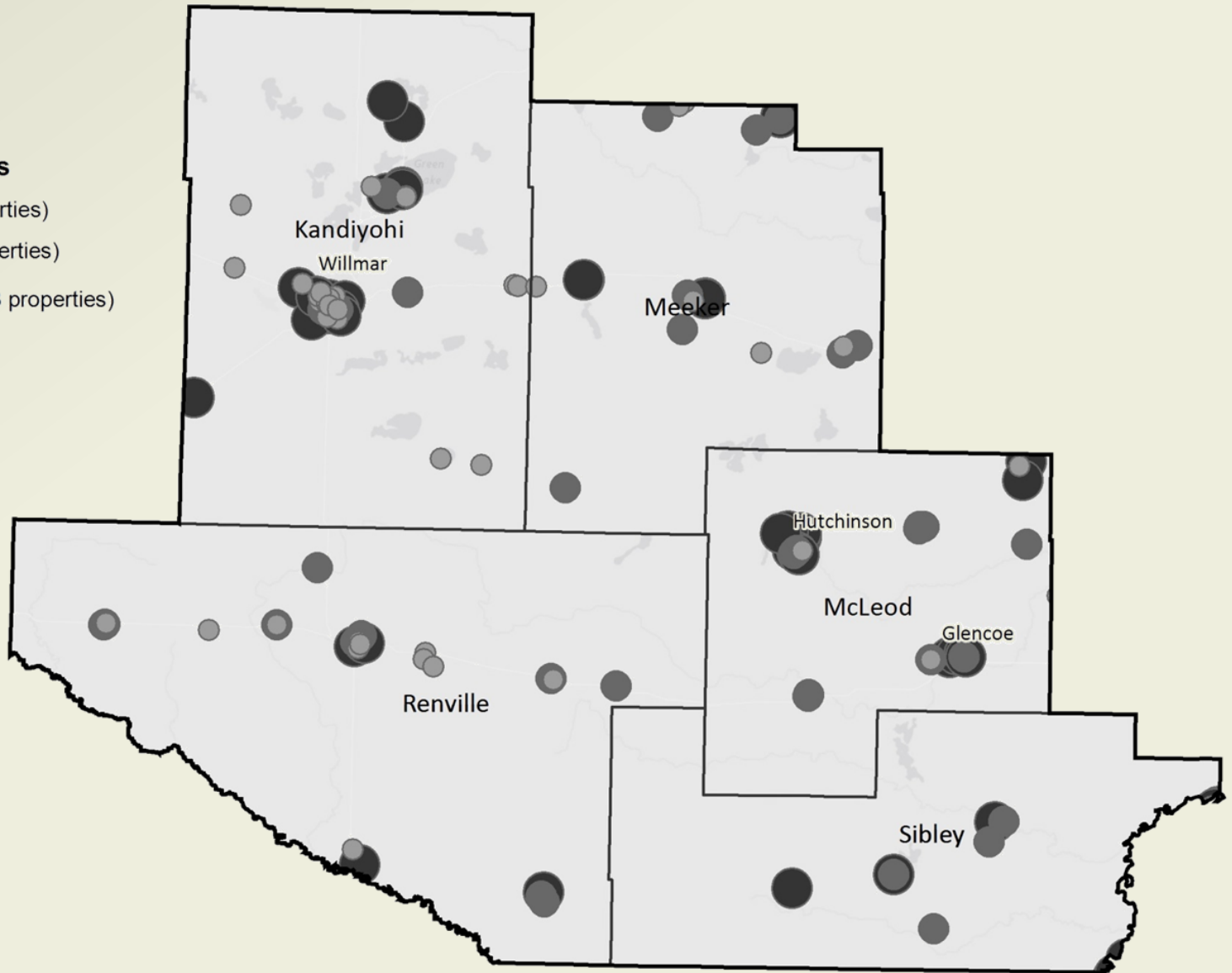
	Greater Minnesota Housing Fund		Minnesota Housing		USDA Rural Development*	
County	Loans	Units	Loans	Units	Loans	Units
Kandiyohi	2	78	224	290	86	86
McLeod	3	26	221	441	-	-
Meeker	-	-	97	79	-	-
Renville	3	3	33	81	-	-
Sibley	1	1	11	11	-	-
Total Loans	9	108	586	902	86	86

Source: Minnesota Housing, Greater Minnesota Housing Fund, and USDA Rural Development

Affordable, Subsidized Rental Housing

Properties by Units

- 0 - 10 (56 properties)
- 11 - 20 (43 properties)
- 21 - 50 units (63 properties)



Regional Topics

- 1) Affordable Rental Housing for a Growing Workforce
- 2) Housing Needs of Diverse Communities
- 3) Supportive Housing and Housing for People with Special Needs

Regional Topic #1

Affordable Rental Housing for a Growing Workforce

Household Growth

- Projected growth on par with State rates

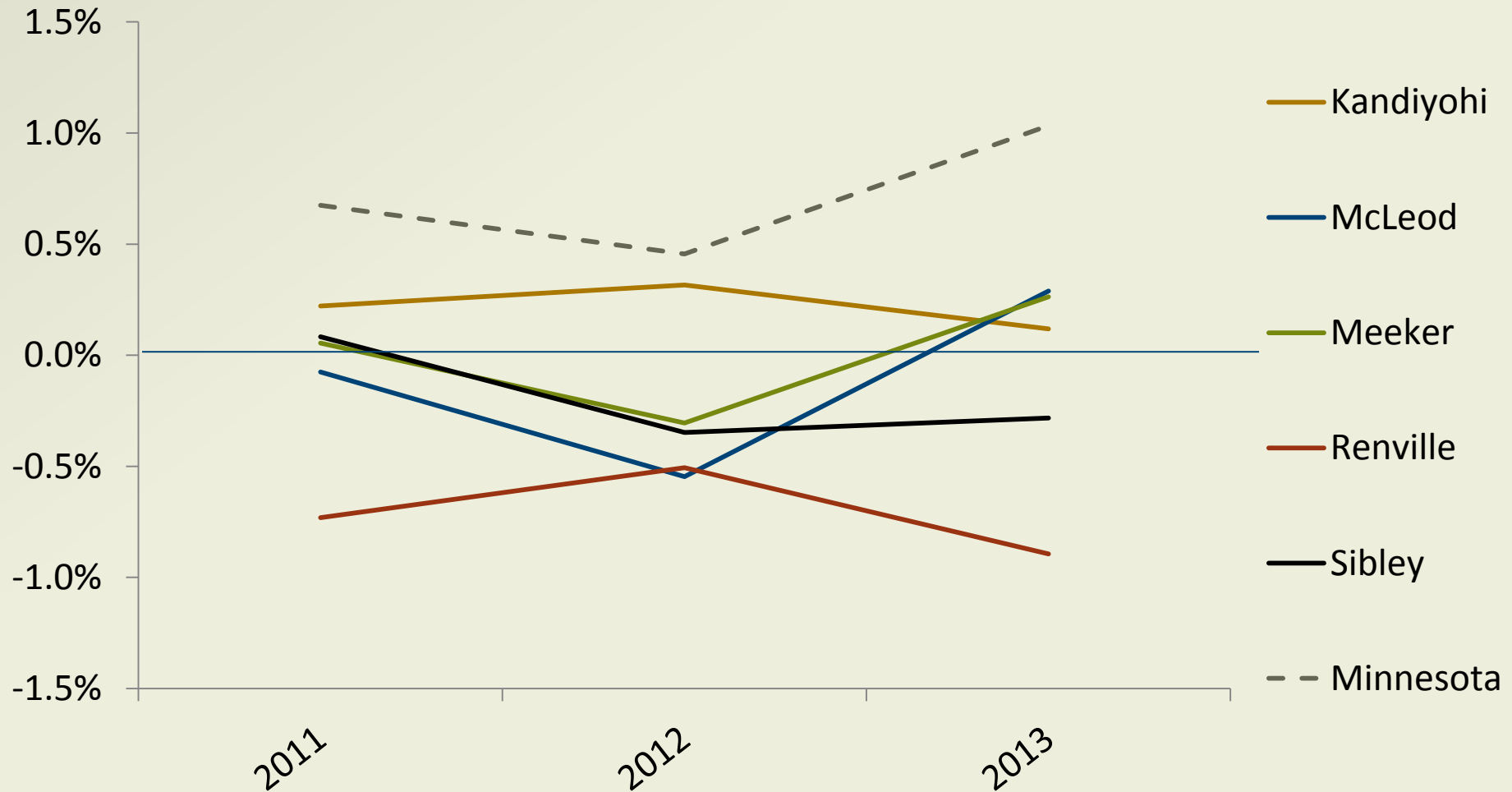
Employment

- Willmar is a major job center for the state
- Jobs recovery

Demand

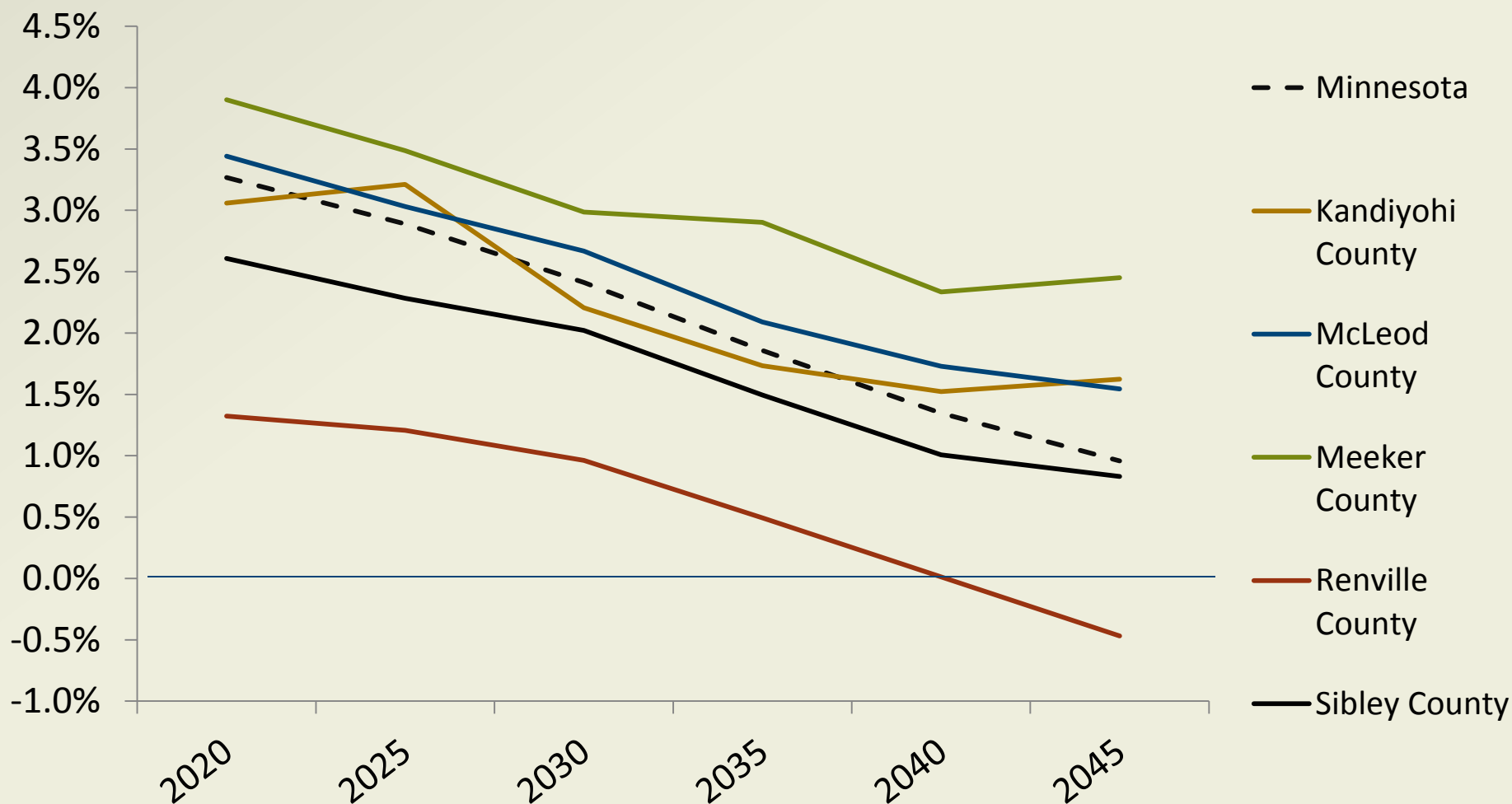
- Workers commuting more than 30 miles
- Low vacancy rates in urban areas

Household Formation: % Change in Households



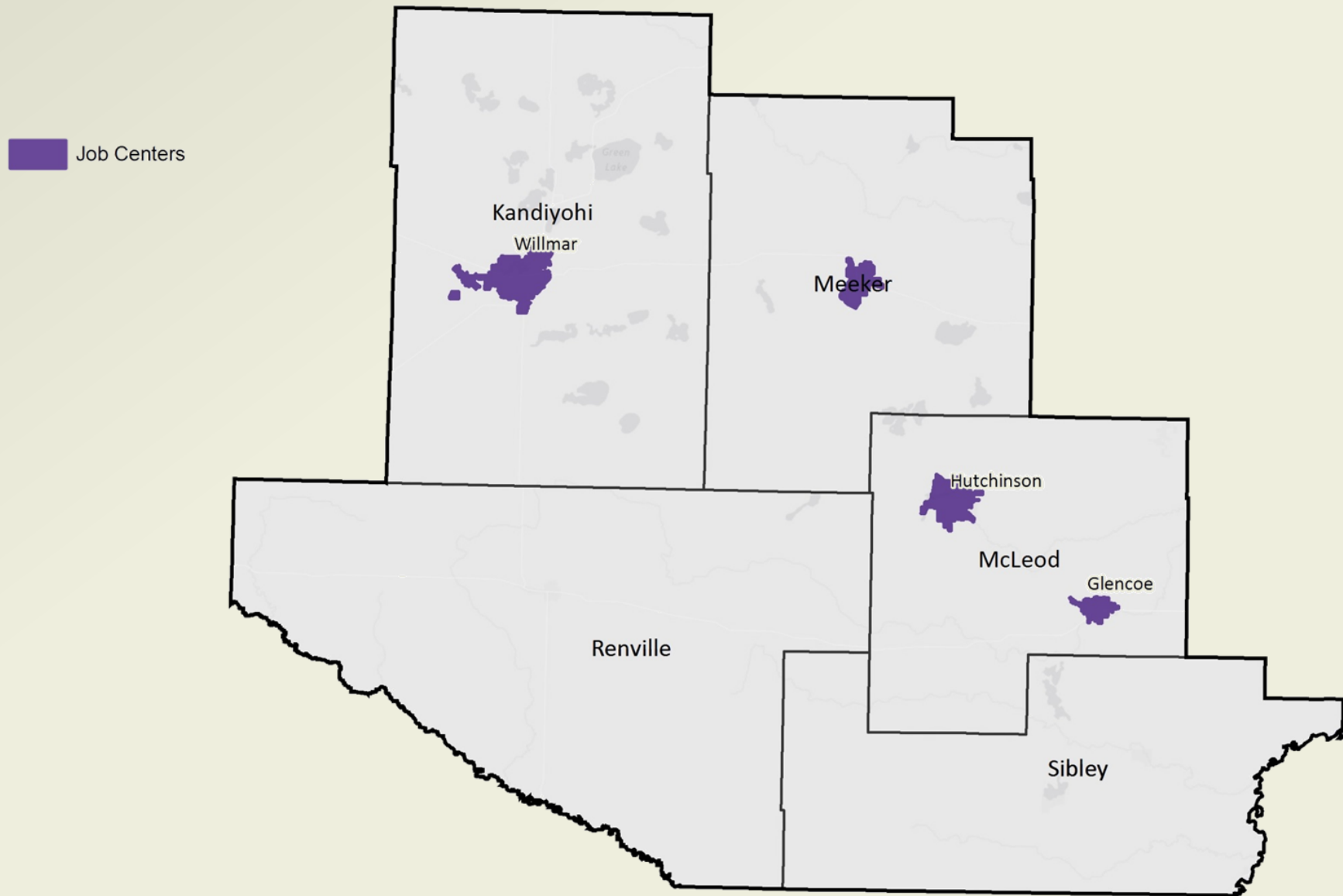
Source: Minnesota Housing analysis of data from Minnesota State Demographer

Projected Household Formation: 5-Year % Change in Households



Source: Minnesota Housing analysis of data from Minnesota State Demographer

Cities with 2,000+ jobs, 2014



Regional Job Change 2006-2009 & 2009-2014

County	2006 Jobs	2009 Jobs	Change 2006- 2009	2014 Jobs	Change 2009- 2014
Kandiyohi County	22,530	22,176	(354)	22,738	562
- <i>Willmar</i>	<i>17,080</i>	<i>15,584</i>	<i>(1,496)</i>	<i>15,690</i>	<i>106</i>
McLeod County	18,443	16,515	(1,928)	16,623	108
- <i>Glencoe</i>	<i>3,310</i>	<i>2,991</i>	<i>(319)</i>	<i>3,330</i>	<i>339</i>
- <i>Hutchinson</i>	<i>11,175</i>	<i>9,858</i>	<i>(1,317)</i>	<i>9,763</i>	<i>(95)</i>
Meeker County	6,916	6,535	(381)	6,922	387
Renville County	5,714	5,744	30	5,673	(71)
Sibley County	4,233	4,139	(94)	4,009	(130)
Total	57,836	55,109	(2,727)	55,966	857

Table excludes farm jobs.

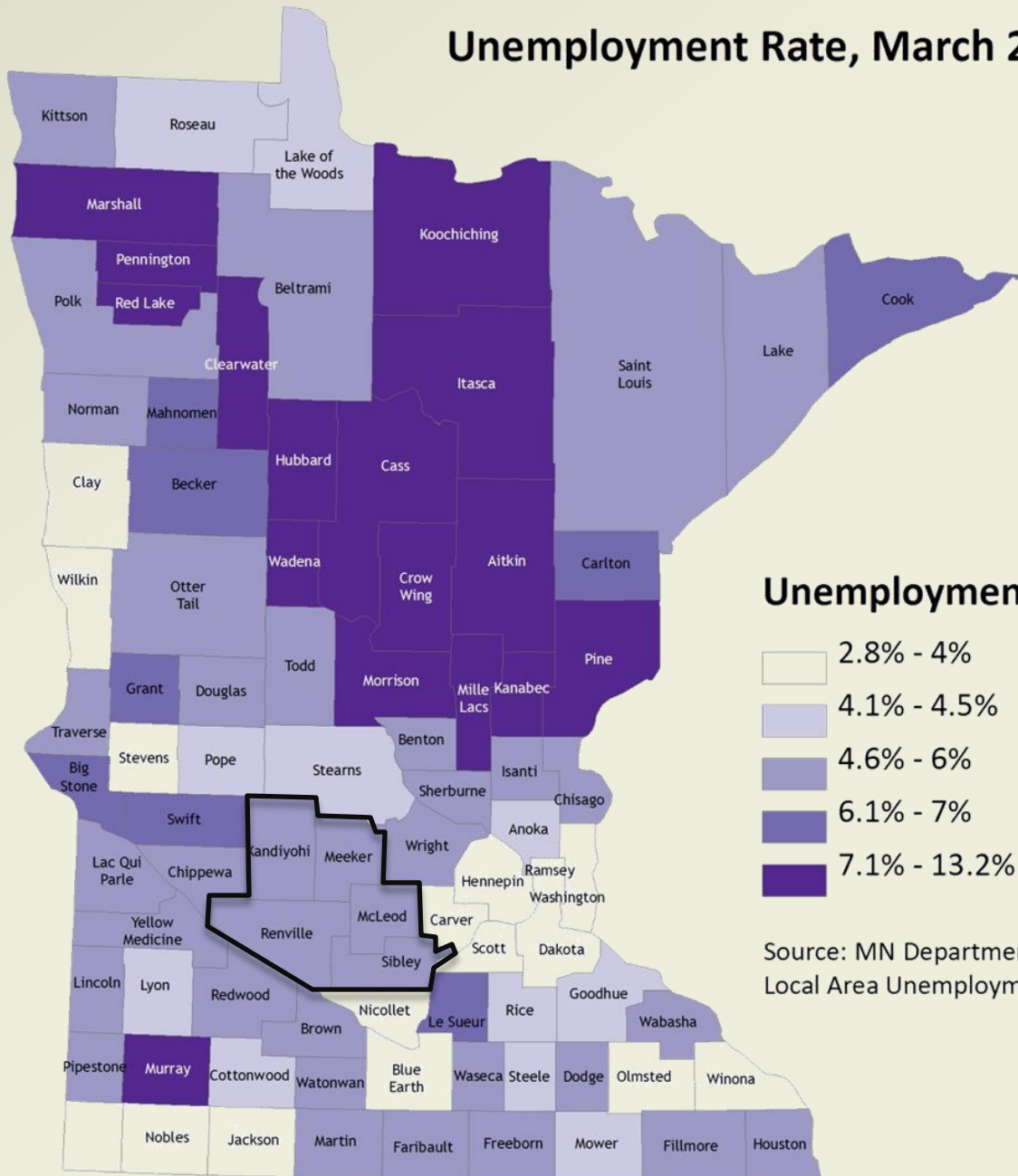
Source: MN Dept. of Employment and Economic Development, Quarterly Census of Employment and Wages.

Change in Number of Jobs and Wages 2009-2014

Industry	2009 Jobs	2014 Jobs	Change in Jobs 2009-2014	Average Weekly wage 2014
Manufacturing	11,160	11,176	16	\$ 933
Construction	2,552	2,578	26	\$841
Financial Activities	1,746	1,594	(152)	\$826
Professional and Business Services	2,748	2,838	90	\$809
Public Administration	2,731	2,812	81	\$722
Natural Resources and Mining	2,436	2,841	405	\$656
Education and Health Services	14,658	14,849	191	\$614
Trade, Transportation and Utilities	10,982	11,134	152	\$610
Information	280	633	353	\$573
Other Services	1,619	1,553	(66)	\$330
Leisure and Hospitality	3,731	3,942	211	\$207
Total, All Industries	55,109	55,966	857	\$624

Source: MN Dept. of Employment and Economic Development, Quarterly Census of Employment and Wages.

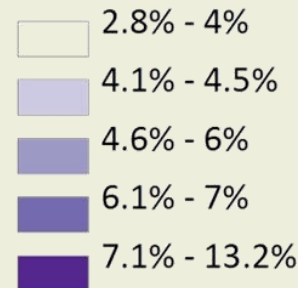
Unemployment Rate, March 2015



Unemployment Rate 3/2015

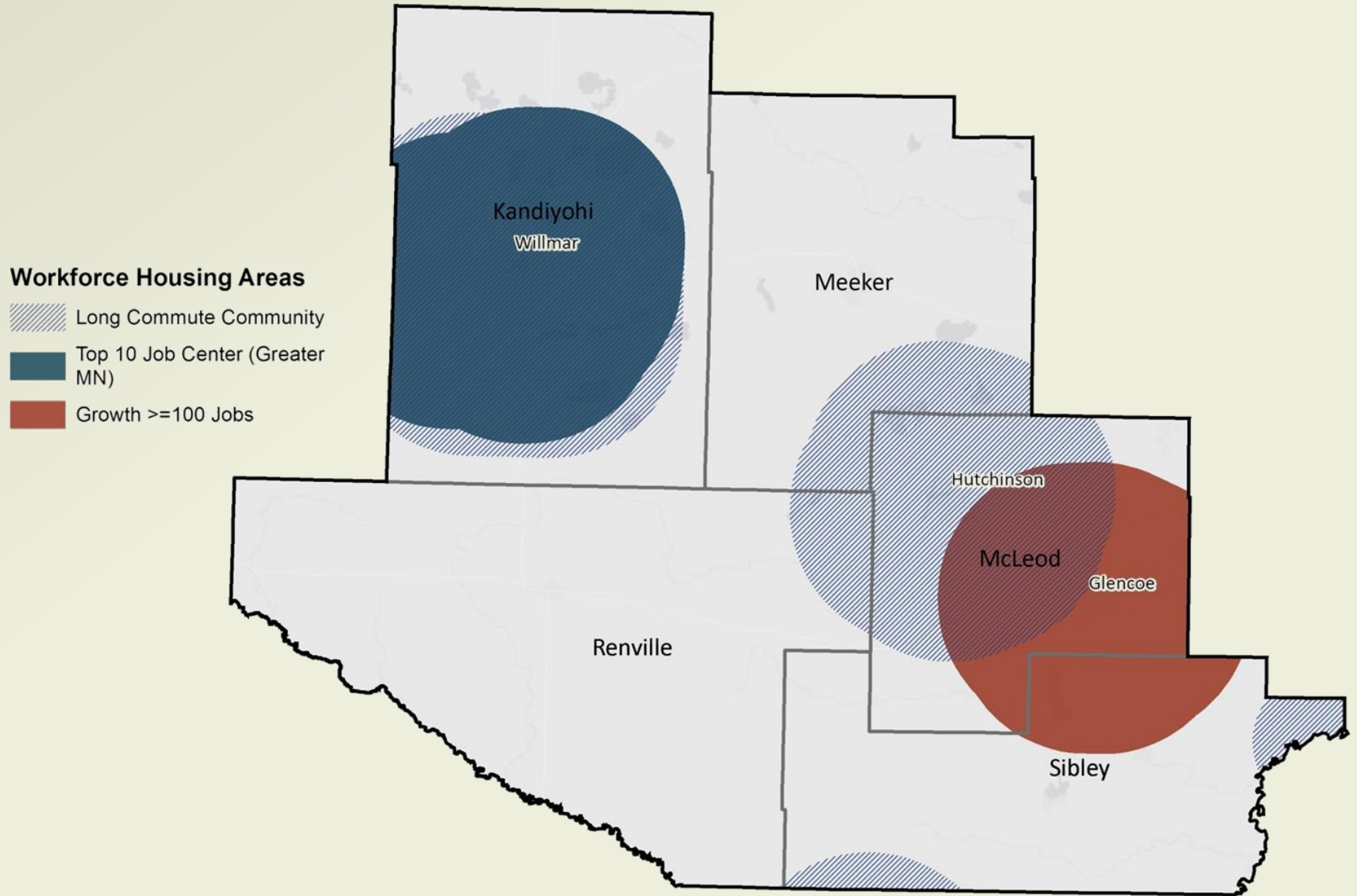
Kandiyohi - Willmar	5.0% 4.4%
McLeod - Hutchinson	5.2% 5.8%
Meeker	6.0%
Renville	5.9%
Sibley	5.4%

Unemployment Rate, March 2015



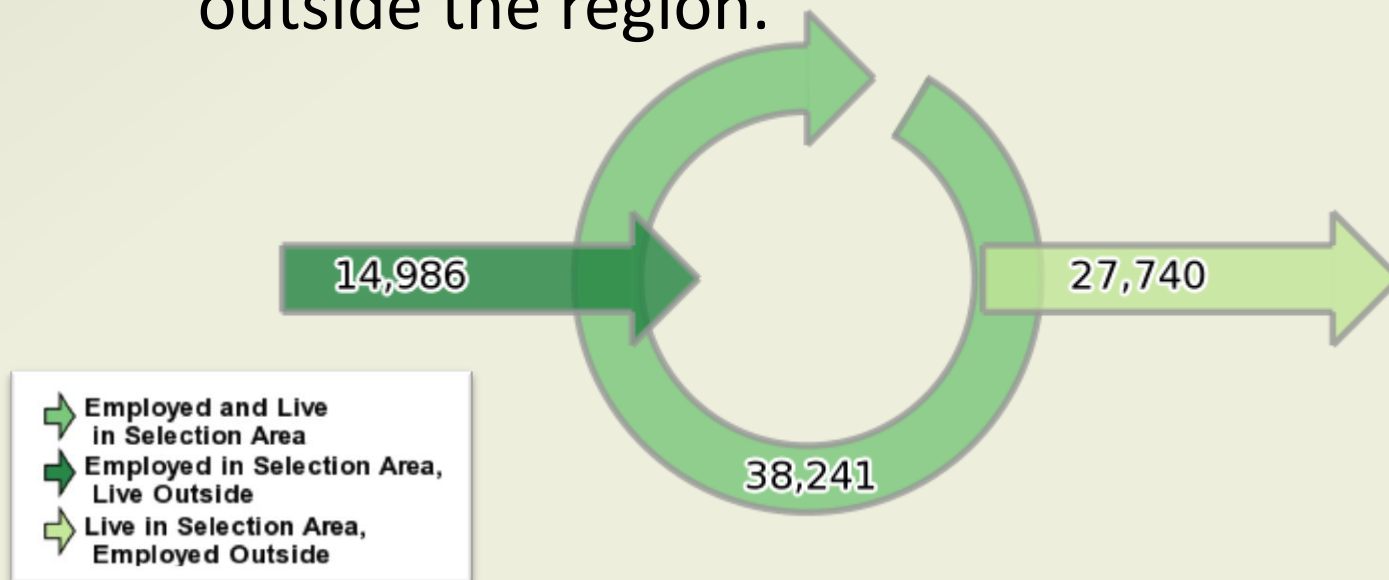
Source: MN Department of Employment and Economic Development, Local Area Unemployment Statistics (Seasonally Unadjusted Figures)

Workforce Housing Areas, 2016 RFP (next year)



Commuting Patterns

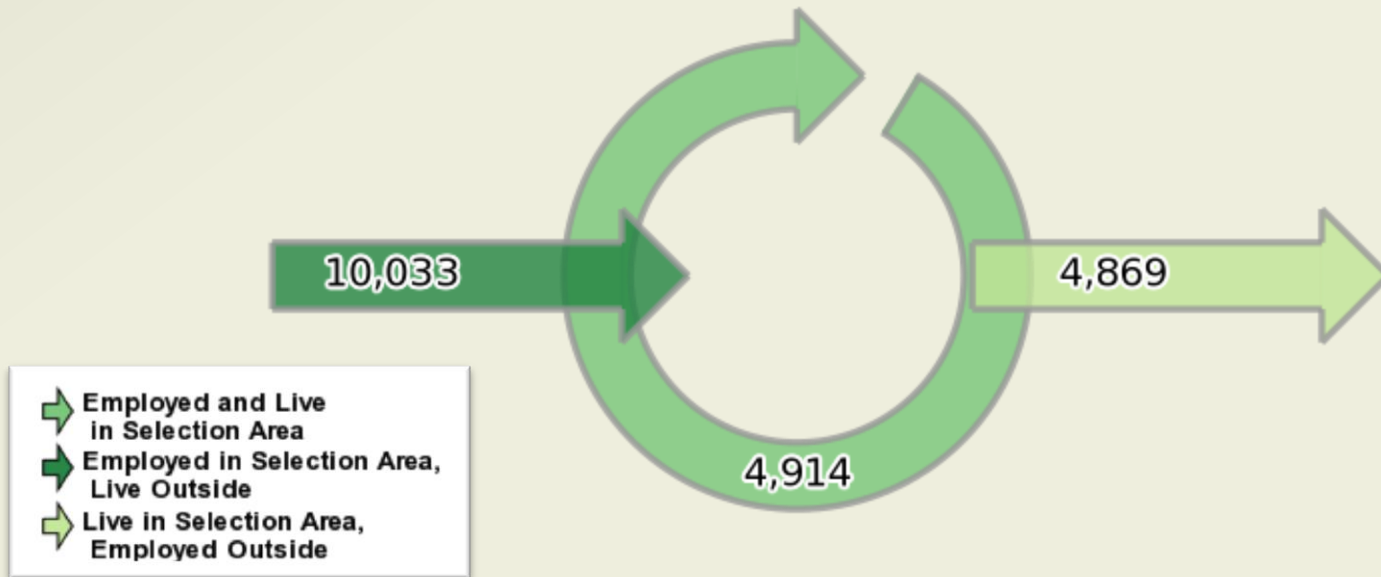
- The region as a whole is a net exporter of workers.
 - 42% of workers living in the region are employed outside the region.



Source: Longitudinal Employer-Household Dynamics Program of the US Census, 2011.

Commuting Patterns

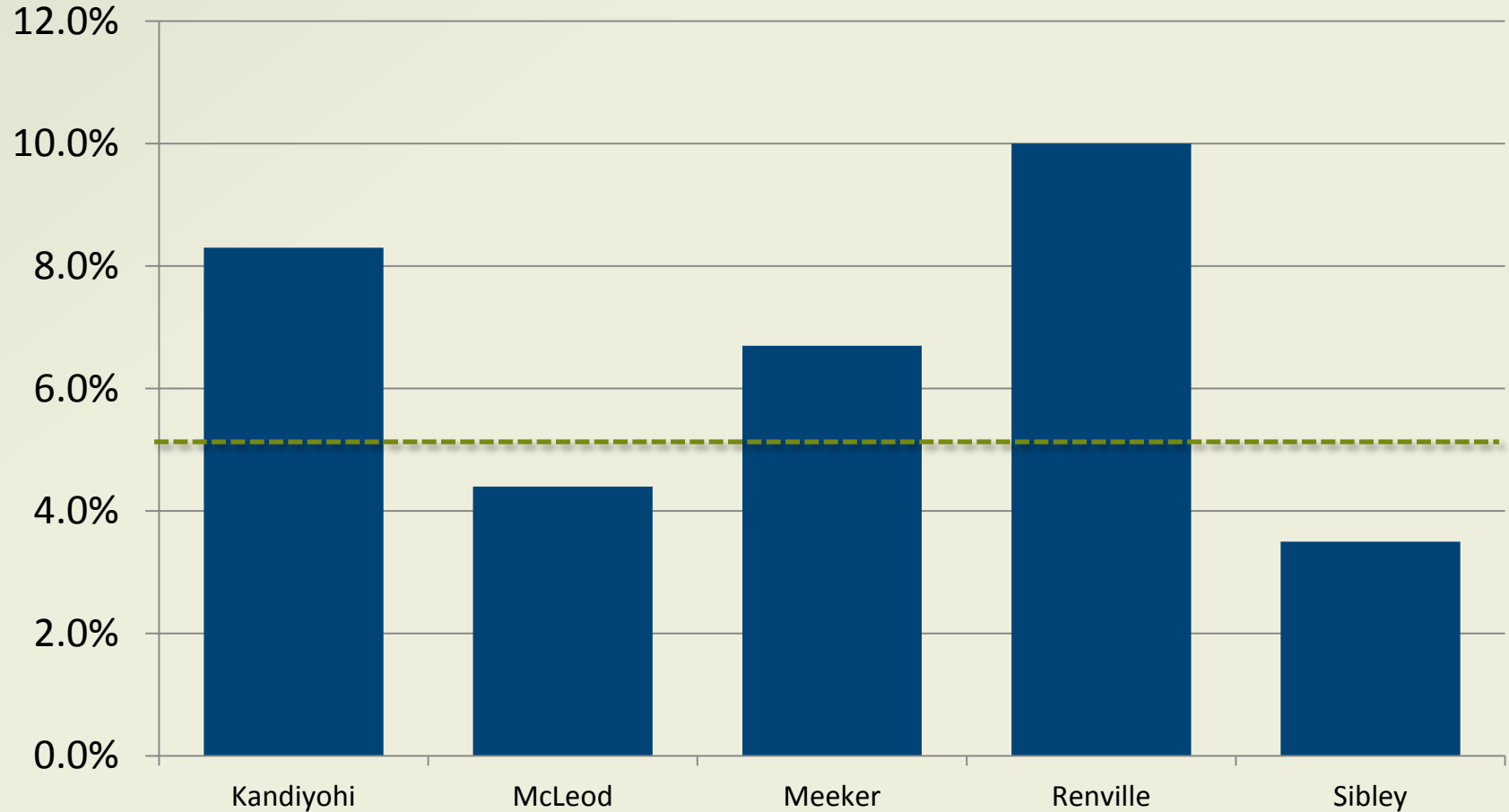
- Willmar is a net importer of workers
 - 69% of workers employed in the city live outside of the city.



Source: Longitudinal Employer-Household Dynamics Program of the US Census, 2011.

Rental Vacancy Rates: Spring 2015

Affordable/Subsidized Rental

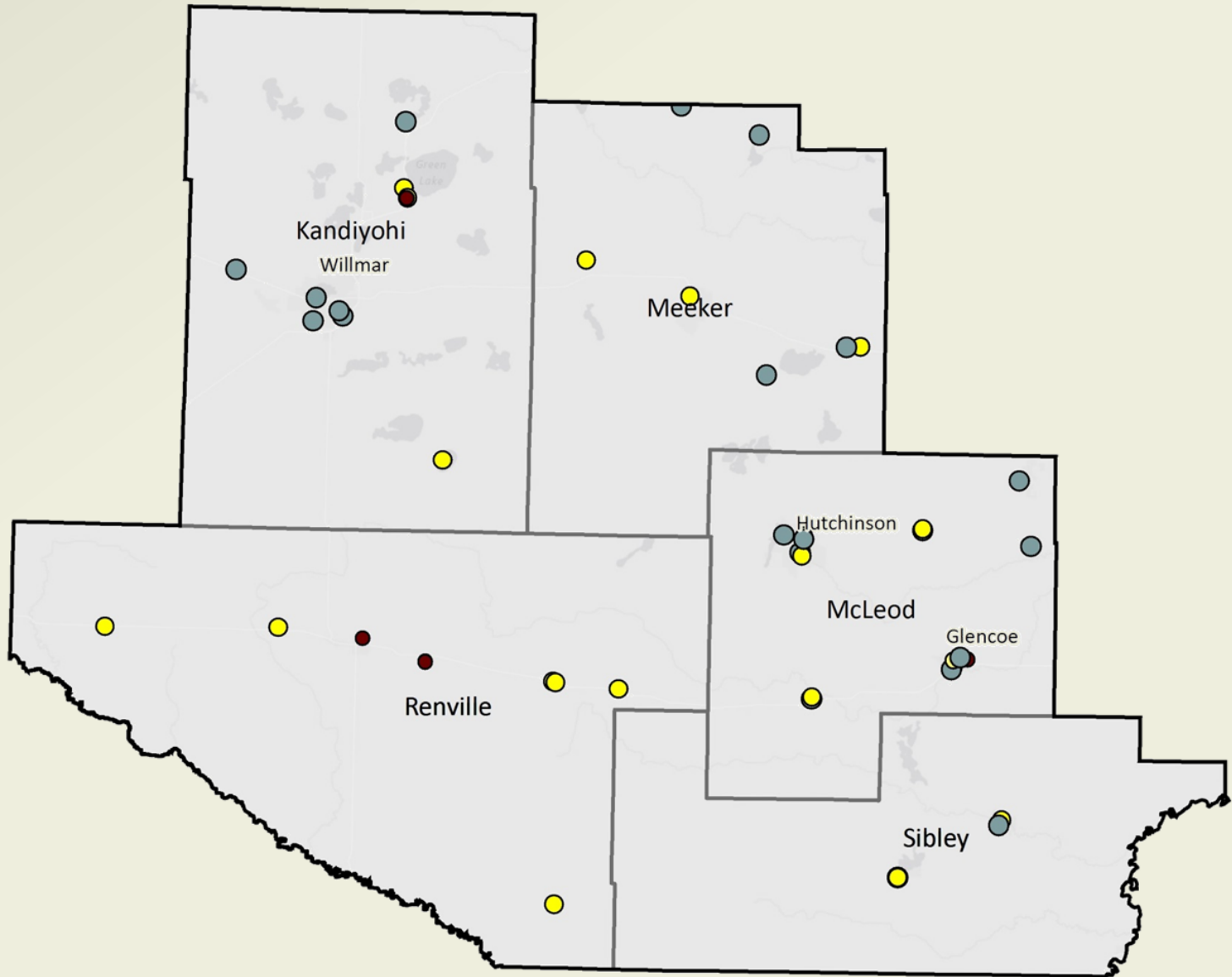


Source: Minnesota Housing and USDA Rural Development Portfolios March 2015.

Vacancy Rates of Subsidized Affordable Developments, March 2015.

Vacancy Rate

- 0% - 5%
- 5.1% - 25%
- 25.1% - 100%



Regional Topic #2

Housing Needs of Diverse Communities

Demographic Trends

- Increasing diversity in race and ethnicity

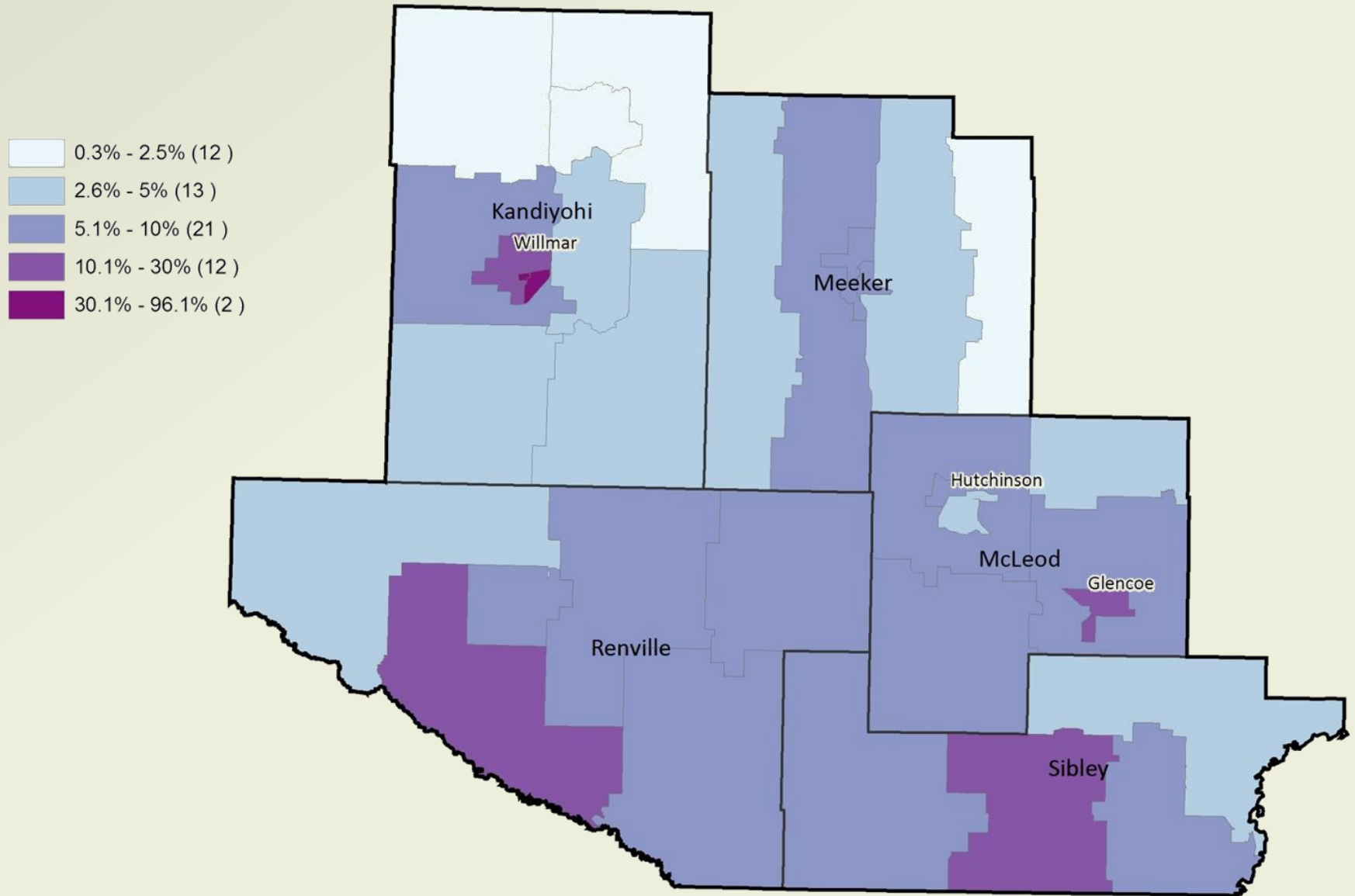
Homeownership Disparities

- Rates of homeownership much lower for households of color or Hispanic ethnicity

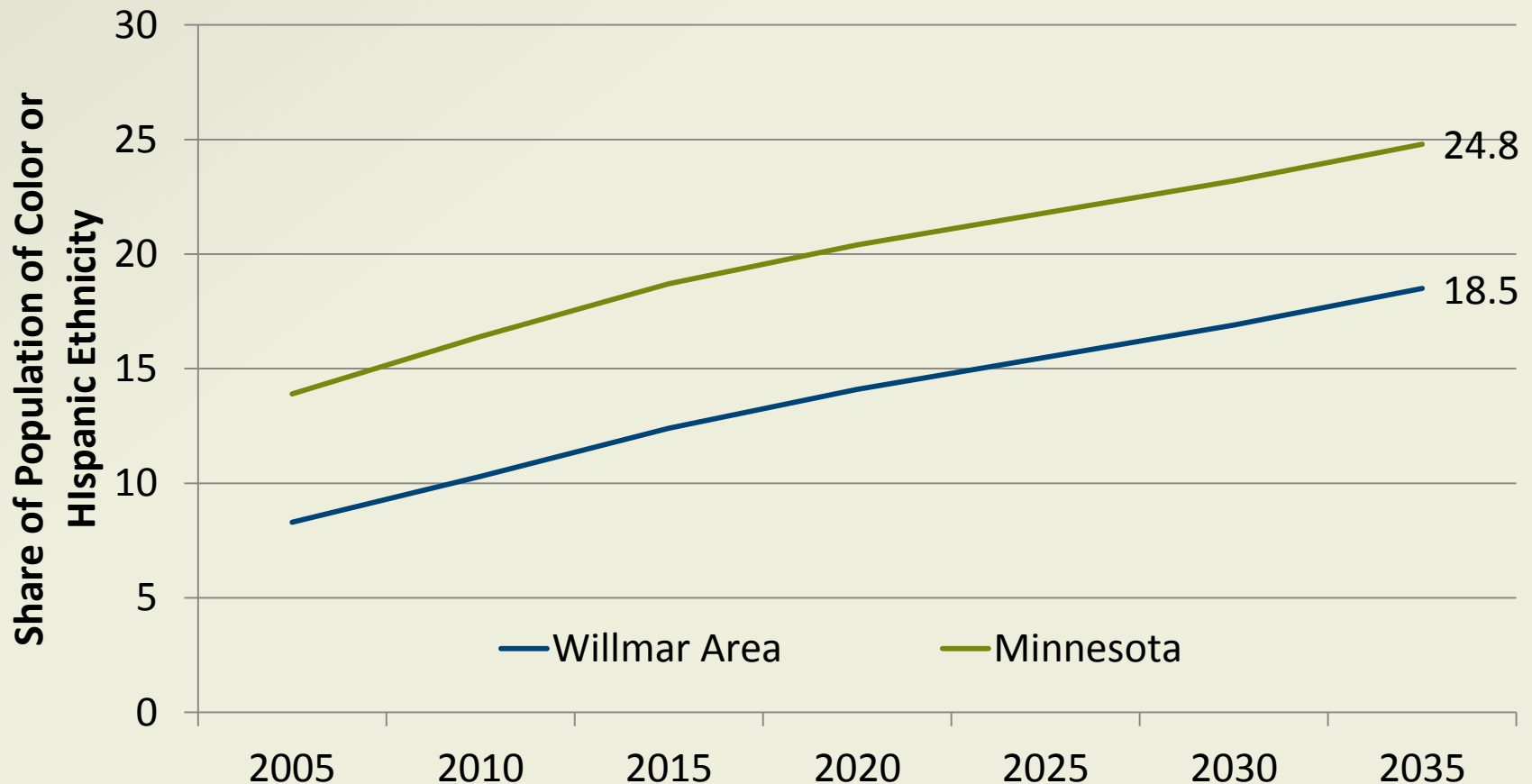
Lending Trends and Market

- Where is the market for first time homebuyers?

Share of Population from Community of Color or Hispanic Ethnicity, 2013

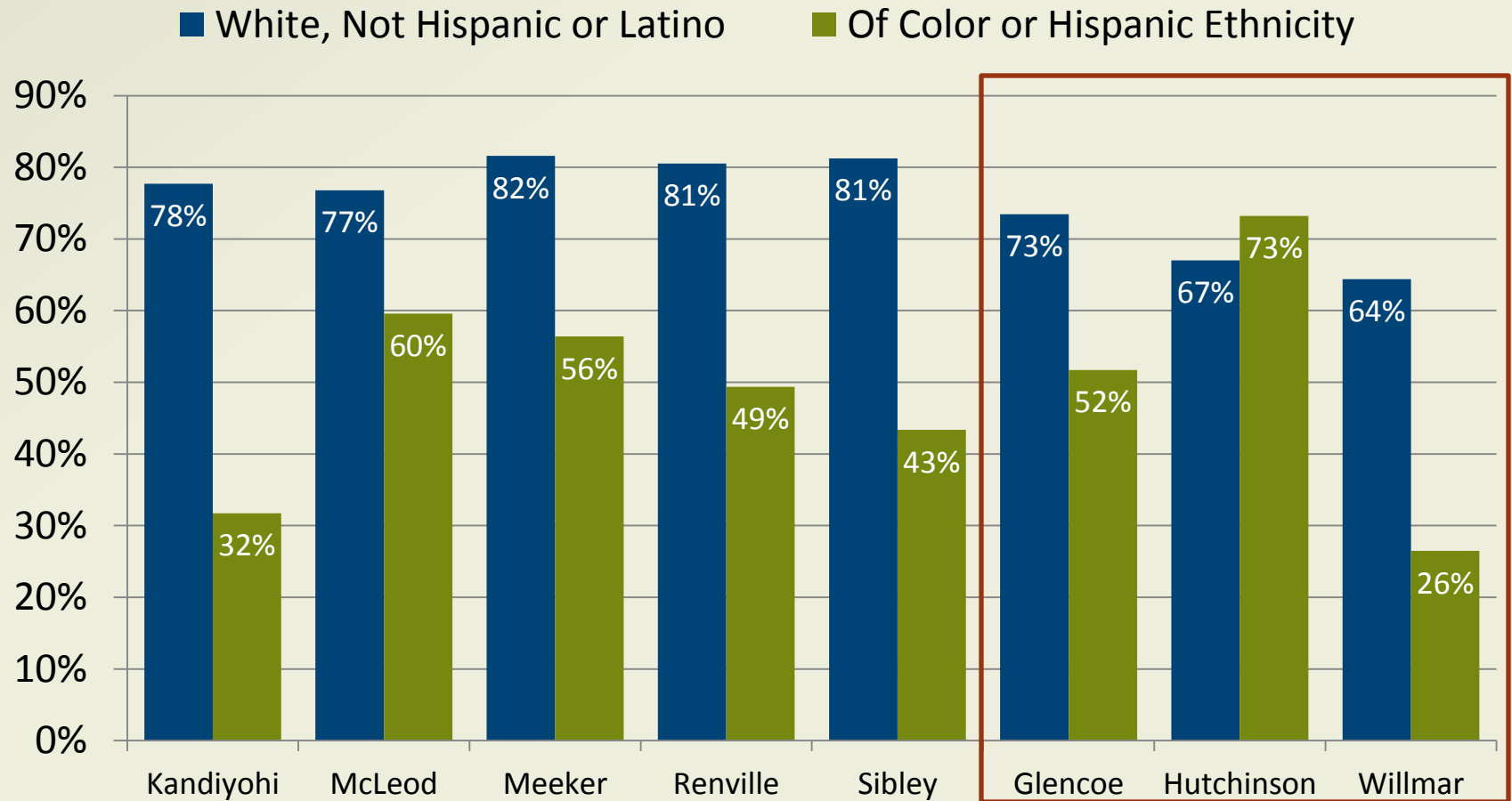


Projected Share of Population of Color or Hispanic Ethnicity



Source: Minnesota Housing analysis of data from Minnesota State Demographer.

Homeownership Rates by Race & Ethnicity



Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Homebuyer Trends in the Region

Market Wide

950 home purchase loan
originations in 2013

3.3% of Home Purchase Loans
in 2013 were to households of
Color

Minnesota Housing

84 home purchase originations
in 2013 – 9% of total market

8.1% of Home Purchase Loans
2012-2014 were to households
of color.

(333 loans 2012-2014)

Source: Minnesota Housing and Home Mortgage Disclosure Act.

Regional Topic #3

Supportive Housing and Housing for People with Special Needs

Homelessness

- Declining
- Families with children

Seniors

- Aging population

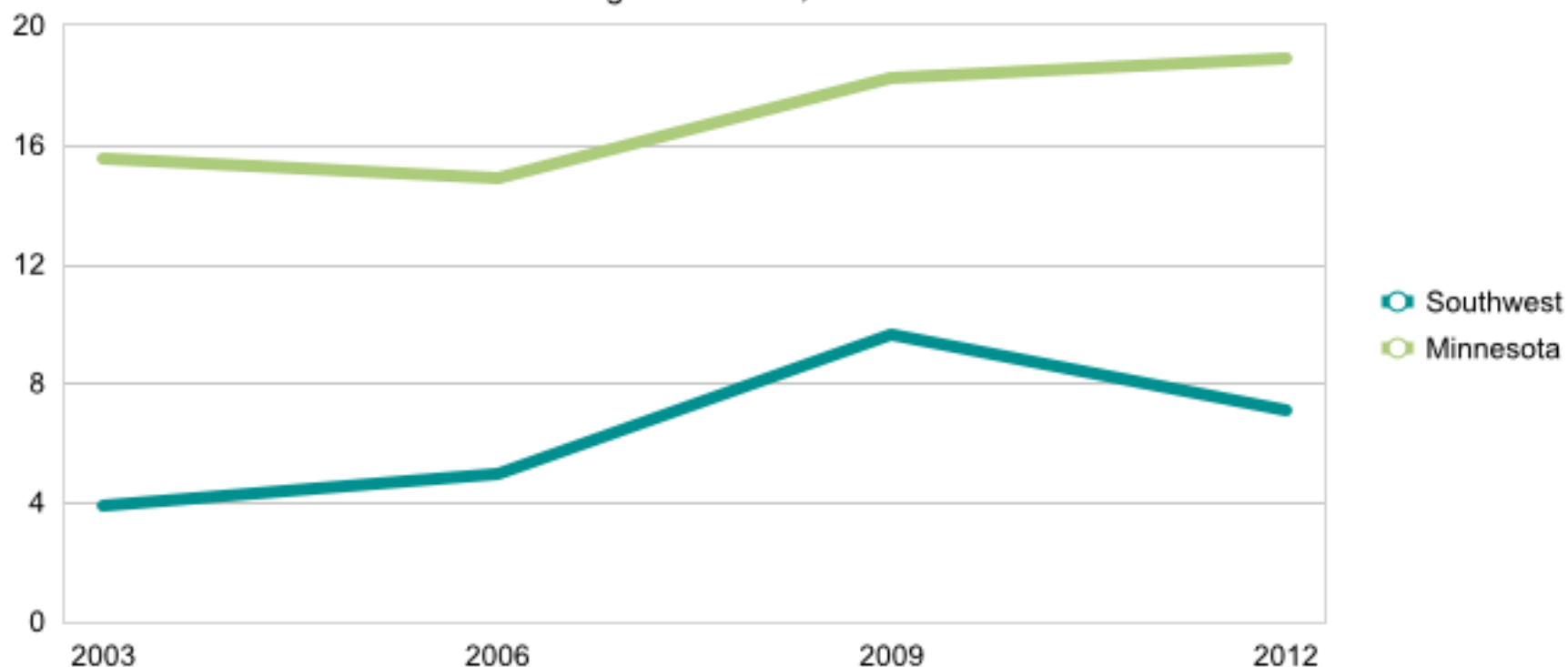
Disability

- Prevalent among seniors

Persons Experiencing Homelessness

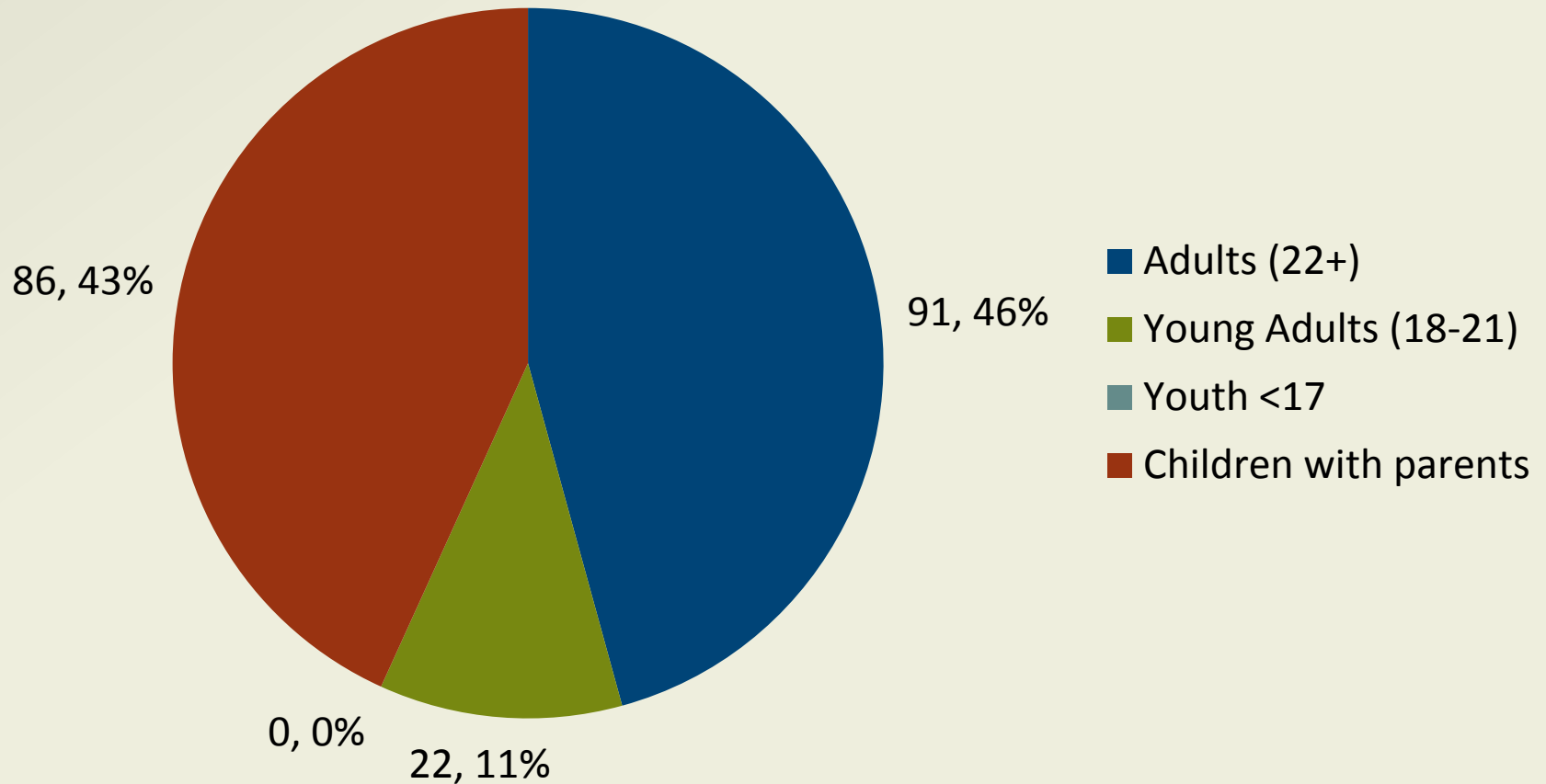
Rate of homelessness per 10,000 residents

Southwest region and MN, 2003-2012



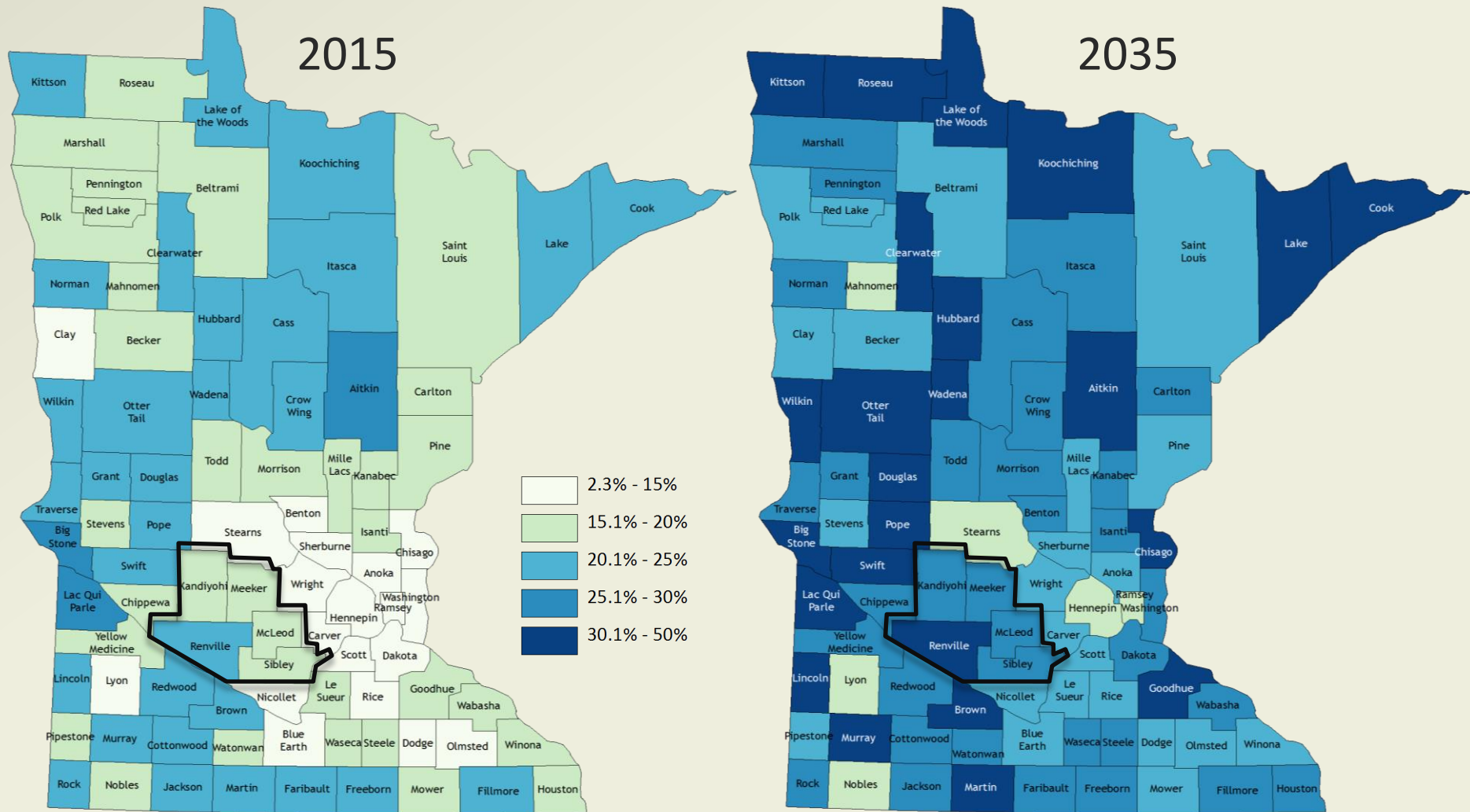
Source: Wilder, Minnesota Compass

Homeless Counts (Southwest)



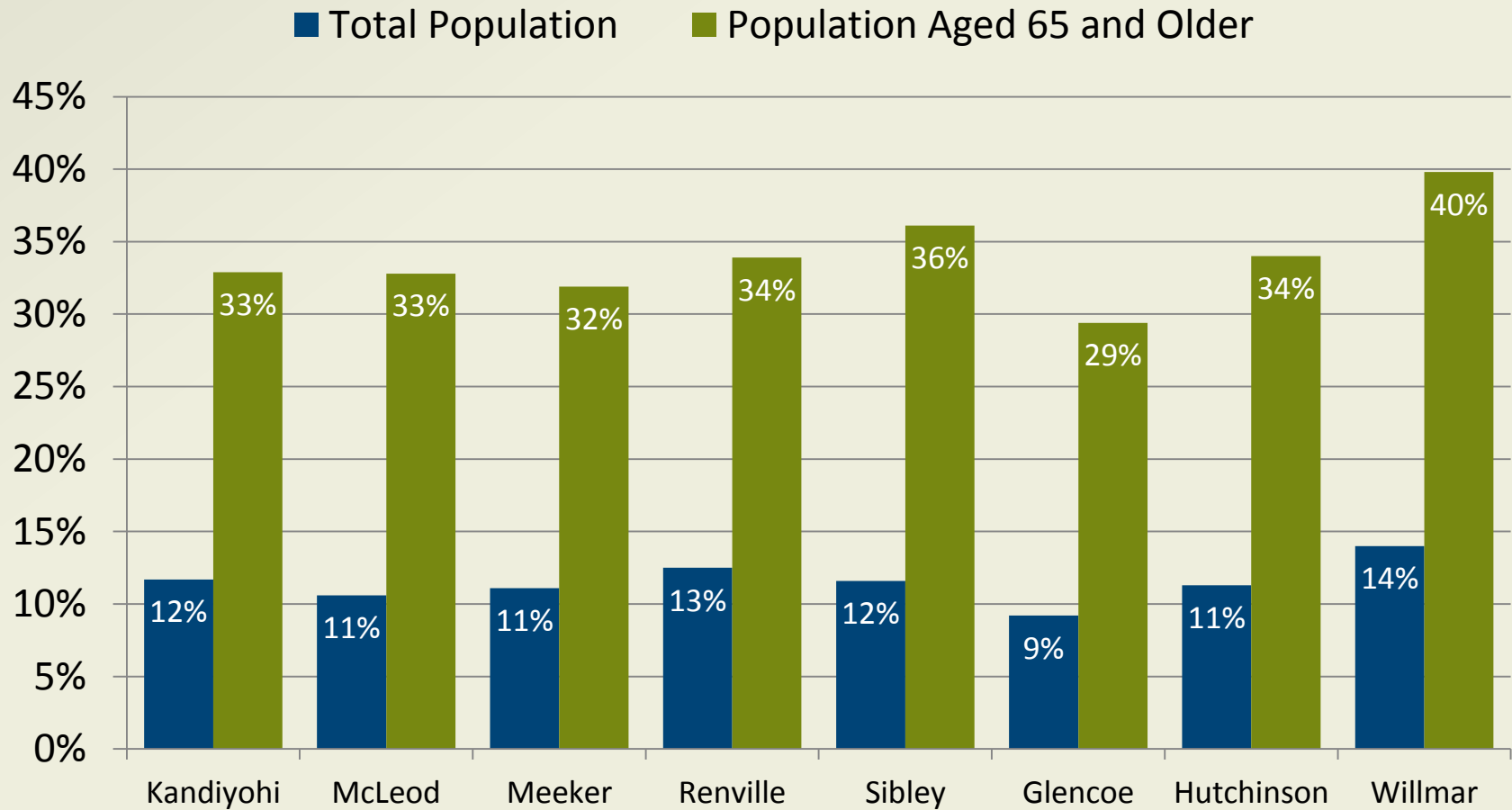
Source: Wilder, 2012 Minnesota Homeless Study

Proportion of the Population Aged 65 and Older



Source: Minnesota Demographer's Office 2015-2040 Population Projections.

Proportion of the Population Disabled




Source: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Summary

- Why the region needs more affordable housing
- Recent housing production and market activity
- Regional topics (discussion breakouts after lunch)
 - Affordable rental housing for a growing workforce
 - Housing needs of diverse communities (homeownership)
 - Supportive housing and housing for people with special needs

For More Information

www.mnhousing.gov




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Finance Agency

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Mortgage rates starting at:

3.500%




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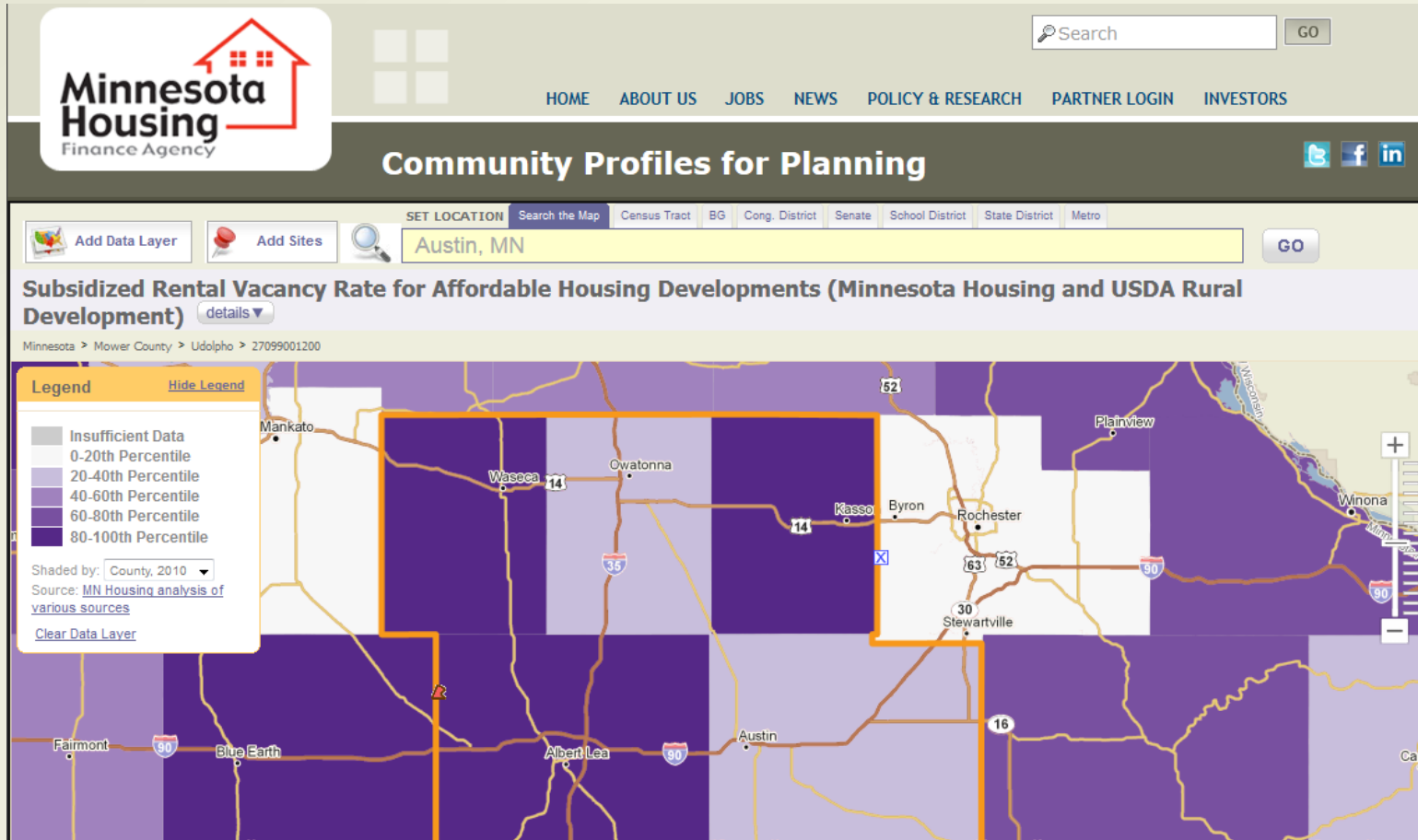
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Homebuyers & Homeowners	Help with Housing & Rent Assistance	Lenders & Homeownership Partners	Multifamily Rental Partners
			
<ul style="list-style-type: none">⌘ Mortgage Loans⌘ Home Improvement⌘ Find a Lender⌘ Interest Rates⌘ Foreclosure Prevention	<ul style="list-style-type: none">⌘ Looking for Rent Assistance⌘ Looking for Shelter⌘ Looking for Affordable Rental Housing	<ul style="list-style-type: none">⌘ Homeownership Lenders⌘ Home Improvement Partners⌘ Real Estate Agents⌘ Community Development⌘ Interest Rates	<ul style="list-style-type: none">⌘ Programs & Funding⌘ Post-Selection⌘ Management, Compliance & Servicing⌘ Section 8⌘ Ending Homelessness

For More Information

Policy and Research > Community Profiles for Planning



For More Information

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